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AN APPEAL TO REASON

By John Bassett Moore

I. THE NEW PSYCHOLOGY

THE April number of FOREIGN AFFAIRS was conspicuous for an exhibition of telepathy, given in its first and second articles. This was very appropriate, as international relations often depend not so much on knowledge, experience and wise maxims as on temporary psychological conditions caused by accident, by oratory, by confused impulses and by craft, against the effects of which statesmen should ever safeguard their countries by avoiding the nebulous commitments and legal uncertainties that so readily contribute to senseless and destructive wars.

The first article, written by Mr. Stimson, lately Secretary of State, says in substance that certain measures adopted since the so-called World War, chief among which are the Covenant of the League of Nations and the Kellogg Pact, prove the existence of a new psychology, a new will to peace such as the world has never known before; and this, in spite of the daily demonstration throughout the world of a frenzied state of mind rampantly manifested in armed hostilities and in a spirit of intolerance such as is rarely seen.

The second article, written by Professor Taussig, of Harvard, treats of changes which he deems to be necessary in our commercial policy in order that we may bear our proper part in promoting the world's peace and prosperity as well as our own. This article tells us that our tariffs ever since 1909 have dealt with foreign countries "simply and solely on the penalty basis — the threat basis, or, if you please, the holding up of a club;" that they "offered nothing in the way of concession;" that the crowning

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demonstration of what may be called our emergence from "isolation" and our moral regeneration and will to peace — the Tariff Act of 1930 — put into the hands of the President the still stronger weapon of the complete exclusion of the products of any country that was conceived to discriminate against us; and that, while flourishing the club with ever-increasing violence, we changed our traditional interpretation and application of the most-favored-nation clause in such a manner as to breed "friction, animosity, commercial warfare," particularly among our allies in the late war, and especially with "our nearest neighbor, our best customer," Canada. This sentence of condemnation is the more impressive because it is accompanied with a confession by Professor Taussig of error and change of heart on his own part in certain particulars, and with the declaration that we should now "turn from economic threat and economic war to friendly offer and friendly intercourse." Accepting these statements just as they are made, I forbear to debate certain economic questions which they naturally raise, but will at once proceed to consider the nature of the proof of humanity's alleged rebirth.

Nothing could more convincingly betray the fustian texture of the new psychology and will to peace than the circumstance that among its postulates there is not one which is not contrary to palpable realities, to the teachings of history, and to the formulation, in universal legal principles, of the results of all human experience.

Fortunately, we are able to diagnose the supposedly new state of mind with unusual exactness. It is scientifically traced back to the radical change in human nature which, first manifested in calling the World War a "war to end war," led to the formation of the League of Nations. The League, it is said, has not only prevented war but has "developed, particularly among the nations of Europe, a community of spirit which can be evoked to prevent war." But this was only the first lurch. It was nine years later, we are assured, in 1928, that there was taken the "still more sweeping step," the culminant leap, in the signing of the "Pact of Paris," vicariously known as the Kellogg or Kellogg-Briand Pact, to which sixty-two nations are now parties.

Before this Pact, we are told, international law had largely been "a development of principles based upon the existence of war" and its "legality;" while the law of neutrality imposed upon neutrals the duty not only "to maintain impartiality" between

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the belligerents but even to refrain from passing "moral judgment" on the rightfulness or wrongfulness of the cause of either party, "at least to the extent of translating such a judgment into action." Such is the scant presentment of that unlovely and suddenly obsolete thing known as international law, with its immoral element of neutrality that is now to be transmuted into war in the interest of peace.

But this is only a modest beginning. We are assured that the Kellogg Pact showed a change in "world public opinion toward former customs and doctrines" so revolutionary that many have not been able to grasp it; a "revolution in human thought born of the consciousness that unless some such step was taken modern civilization might be doomed;" a revolution so radical that "war has become illegal throughout practically the entire world." In consequence, war, it is said, is "no longer to be the source and subject of rights;" its very existence "makes one or both parties wrongdoers, to be denounced as lawbreakers;" and that so "many legal precedents" have in consequence been rendered "obsolete" as to impose "on the legal profession the task of reëxamining codes and treatises." The Kellogg Pact would, indeed, seem to have overturned almost everything except the Versailles Treaty, which, with the gyroscopic aid of the League of Nations, has continued to ride on an even keel. But, even this proud ship may be facing a compulsory change of course, as Signor Mussolini, holding aloft the Pact as his sextant, is demanding a reckoning. Under all the circumstances, it is no wonder that any cold analysis of what the Pact really is should be deprecated as an attempt to reduce it to a mere gesture and to destroy the faith of the world in efforts for peace. We are therefore properly expected to be content with the information that "the only limitation" to the Pact's "broad covenant" against war is "the right of self-defense" — a right, it is declared, "so inherent and universal that it was not deemed necessary even to insert it expressly in the treaty." But, lest some doubting Thomas might suggest that an "inherent and universal" limitation might prove to be troublesome if not nullifying, we are summarily assured that it "does not weaken the treaty," since the "limits" of the limitation "have been clearly defined by countless precedents." Unsatisfied readers of this assurance have been trying to conjecture what these precedents may be.

But of the exposition of the radical and revolutionary nature of

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the Kellogg Pact something more yet remains to be told. The Covenant of the League of Nations is associated in the public mind probably more with its proposed "sanctions" than with anything else; and this is, I venture to think, unfortunate. The Covenant provides for "arbitration," for "judicial settlement," for investigation, for mediatorial offices, and for a Permanent Court of International Justice, which was established more than ten years ago. But such processes are too insipid. They excite less interest and receive less attention than current local scandals. The "sanctions," which are both economic and military, bulk more largely, as they point towards war, unless war has just now become obsolete. But it is not treated as obsolete by the Covenant. The Covenant is redolent of it. By Article 16 any member of the League resorting to "war" in disregard of certain provisions is deemed to have committed an "act of war" against all the other members, which are then to sever and prohibit all intercourse, financial or commercial, with the Covenant-breaking state, and to unite in military measures on land, on sea and in the air against it. It may also be expelled from the League.

To these provisions, in which "war" is the dominant note, the Kellogg Pact does present a perfect contrast. The Pact, as we are told, "provides no sanctions." But we are asked to tread on highly controversial ground when we are asked to believe that the Pact "does not require any signatory to intervene with measures of force" in case it is "violated;" to believe that, resting "upon the sanction of public opinion" and "the will . . . to make it effective," "it will be irresistible" if the people of the world "desire to make it effective;" to believe that the "critics who scoff at it have not accurately appraised the evolution of world opinion since the World War;" and to believe that the Hoover-MacDonald declaration at Rapidan in October 1929 that their governments were resolved to accept the Pact not only as a declaration of good intentions but as a positive obligation to direct national policy in accordance with its pledge, "marked an epoch." How a declaration of the parties to a pledge that they mean to keep it can be said to mark an epoch, we need not inquire. But the intimation that those who regard the Pact alone as practically futile are unfriendly scoffers can by no means be accepted; for, among those who now insistently demand that it be furnished with "teeth," with which to affright and bite aggressors, the most conspicuous are those who, before it was

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signed, acclaimed it as a self-enforcing device. Nothing has caused so much scoffing or suspicion as this change of front.

In order to ensure entire precision, I have explained the new psychology in the very words used by Mr. Stimson, its authoritative exponent and sponsor, in two issues of FOREIGN AFFAIRS.[1] Mr. Stimson, just as might have been expected, has not changed front on the Kellogg Pact. He still says that its efficacy must depend on public opinion and not on force. It is only when the sanctions of the Covenant and the alleged "decisions" of the League are invoked that he welcomes, as agencies of peace, the menaces and measures of war which the Covenant prescribes. I have no quarrel with Mr. Stimson. He is present in my reflections only as the spokesman, and as a sincere spokesman, of a group identified with a certain type of mind and thought, and with a belief in methods and measures which I, who modestly pray for peace in my own time, profoundly distrust not only because they have no visible moorings on earth or in the sky, but also because they have infected many of my countrymen with confused notions of law and of conduct which, while they endanger our own most vital interests, hold out hopes of partisan intervention that encourage European governments to defer the readjustments which only they can make and which are essential to peace and tranquillity in that quarter. As long as we persist in our misguided rôle, so long will discussions of disarmament be dominated by thoughts of war rather than of peace.

II. THE KELLOGG PACT

As the Kellogg Pact is invoked as the crowning proof of the world's recent regeneration, I will now state just what it is. I give it the name of its putative author, as M. Briand neither proposed nor formulated the multilateral agreement that was eventually signed. From time immemorial treaties of amity and commerce have contained a declaration that there shall be "perpetual amity" or a "perfect, firm and inviolable peace" between the contracting parties. The Kellogg Pact does not go so far. Resolved into its elements, it comprises two things: first, a general renunciation of war "as an instrument of national policy;" and secondly, a general pledge to settle all differences by peaceful negotiation.

M. Briand on June 20, 1927, proposed an exclusive pact be-

[1] FOREIGN AFFAIRS, Supplement, October 1932; and April 1933.

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tween France and the United States renouncing war "as an instrument of their policy towards each other," and pledging the two countries to settle their disputes by pacific means. There was also a florid preamble, very loosely drawn, in which the proposed contractants were spoken of as "two nations that no war has ever divided," the formal and serious maritime war of 1798, which actively continued until September 30, 1800, having been overlooked. But, for reasons of domestic and of foreign policy which may be surmised, M. Briand's proposal of an exclusive renunciation and pledge was not acceptable. There was delay; and six months had elapsed when on December 28, 1927, Mr. Kellogg suddenly fluttered the Eagles in the European dovecotes by proposing to France a renunciation and pledge in which all the principal governments of the world should unite. The Eagles anxiously exchanged notes, but soon found common ground in the discovery that they all had national policies, no matter how divergent they might be. They also remembered that the United States had its Monroe Doctrine. Then there was the Lansing-Ishii agreement, which recognized the "special relations" resulting from "territorial propinquity" and the consequent "special interests" of Japan in China; and which, although formally cancelled in 1923, left a visible trail of implications. Nevertheless, the phrase "national policy" had a dubious history. Even the United States had been charged with having asserted the Monroe Doctrine brusquely, if not aggressively, on occasions which some of the Eagles could hardly have forgotten. It was important that the phrase should be muffled, and this the Eagles proceeded to do.

We need not go into all the notes that were exchanged. We need mention only the one which the British Government, speaking individually but with the loud acclaim of the Eagles, presented on May 19, 1928; a note which, after quoting "the renunciation of war as an instrument of national policy," declared that there were "certain regions of the world the welfare and integrity of which" constituted "a special and vital interest" for that government's "peace and safety," and that, as their protection against attack was "a measure of self-defense," no "interference" with them could be "suffered." The regions, it will be observed, were not named; and complete liberty as to their future designation was thus reserved. Then, in order effectually to preclude subsequent challenge or quibble, there was added this unequivocal condition: "It must be clearly understood that His Majesty's Gov-

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ernment in Great Britain accept the new treaty upon the distinct understanding that it does not prejudice their freedom of action in this respect." The way for this addition had indeed been thoughtfully paved by Mr. Kellogg himself in a public address three weeks before, in which he declared that nothing in the proposed treaty in any way restricted or impaired "the right of self-defense;" that this right was "inherent in every sovereign state" and "implicit in every treaty;" and that each nation "alone is competent to decide whether circumstances require recourse to war in self-defense."

In thus assuring to belligerents, each of which has decided that it acted in self-defense, the right to fight out their differences in peace, the new and regenerate psychology is for once superior to the old. Should it be said that this reduces the Pact to a bare expression of a sentiment and a moral obligation to act upon it, Mr. Kellogg has, much to his credit, dealt with the matter with his usual candor and without evasion. I have always surmised that Senator Borah, as an advocate of the "outlawry of war," played in this transaction a larger part than is generally known, especially as I observed that in the national campaign of 1928 he did not abate his appeals for the maintenance of an effective navy — not, of course, for the purpose of providing the renunciation of war with "teeth," but for the purpose of enabling the United States to exercise the right of self-defense that had been so amply safeguarded.

The notes in which the interpretations and conditions of the signatories were expressed, including that of Great Britain of May 19, 1928, were mentioned in and annexed to the circular note which the United States addressed on June 23, 1928, to France, Germany, Great Britain, Italy, Japan, and certain other governments, formally inviting them to accept the Pact as thus explained. It was accordingly signed at Paris on August 27, 1928. As the signing of a contract with a mental reservation is both illegal and dishonest, no government can be supposed to have signed the Pact with an intention to deny or to repudiate the recorded conditions on which it was accepted. By M. Briand those conditions were specially cherished because they embraced a concession to his demand that the later renunciation of war should never be asserted to interfere with the full application of the war-making provisions of the Covenant. This concession was more radical than that made to the demand for the recognition

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of local special interests. The recognition of such interests rests on a principle as old as mankind: the natural and instinctive principle that peoples are more deeply concerned in what directly affects them and takes place at their doors than in what is remote. The concession made to M. Briand tends to subvert that principle.

No one could do anything but wish the parties to the Kellogg Pact to observe their renunciation of war as an instrument of national policy and their promise peacefully to settle their differences. But when I am told that the renunciation and the promise constitute an epoch in history, and denote on the part of the signatories, or even of any of them, a radical change in attitude toward war and toward the use of the vast armaments which they continue to maintain and show so much reluctance to reduce, I can hardly be reproached for recalling the Law and the Prophets and the Sermon on the Mount. On these foundations great churches have been built, and untold millions still worship at their shrines. Fundamentally, they all teach brotherly kindness, justice, and peace; and yet, the most heavily armed and most warlike of modern nations have been those that profess the Christian faith. It is these that brought to the Far East the modern implements of war. I would not destroy the nimbus of the Kellogg Pact; but when I am asked to believe that the renunciation and the promise complete a moral revolution, said to have begun during the World War, more radical than the commands of the Almighty and the precepts of Christ had been able to effect, I am asked to exhibit a credulity beyond the capacity of common minds.

No wonder that, as M. Paul-Boncour, M. Briand's great friend, has authoritatively told us,[2] the Kellogg Pact was for M. Briand, before all else, a means to draw the United States, the decisive factor in Allied victory, into the League of Nations. For, asks the spokesman of M. Briand's thoughts, could it be imagined that when some "aggressor" had torn up the Covenant, and the sanctions of Article 16 were set in motion against him, the United States, the initiator of the Pact, would remain indifferent to its violation and would not "throw into the duel" for peace the weight of the power which, as France had not forgotten, nothing could resist? Evidently it never occurred to M. Briand that France could ever be voted an "aggressor," or that the United States could ever be so voted so long as she fought for France.

[2] *The New York Times*, April 10, 1932.

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This was both ingenuous and logical, and worthy of M. Briand's clear intelligence. But, when I reflect on his eagerness to draw permanently into the service of an organization which France and her political allies and sympathizers have so largely dominated the irresistible military power of the United States, I cannot limit my recollections of that great statesman to his efforts for several years before his untimely death to bring about a better understanding between France and Germany; nor does it detract from the merit of those efforts that they were no less in the interest of France than in that of Germany. M. Briand began his political career, as so many other French statesmen have done, as a Socialist; and, while Socialism in France is not just what the American people suppose Socialism to be, it is associated with the idea of benevolence. This quality M. Briand possessed. Nevertheless, I do not forget how, as a member of government in 1911, when diplomatic tension between France and another country suddenly developed, he emerged as a "man of iron," and, calling railway strikers to the colors, compelled them to man the trains. Nor is it conceivable that if called to choose between France, even though she might not be clearly in the right, and the rest of the world, he could for an instant have hesitated to follow the fortunes of his native land, which he loved and served so long and so well.

III. THE LETHAL BLOW OF FACTS

There can be no higher or more convincing proof of the purely imaginary character of the supposed united "will to peace" than that which is furnished by the statement made in Parliament on March 23 last by Mr. Ramsay MacDonald, British Prime Minister, on the general European situation, his recent visit to Rome, and the Disarmament Conference at Geneva. Mr. MacDonald cannot be charged with unfriendly bias. He believes in peace, and has made personal sacrifices to the cause. He therefore spoke as a friendly witness, and as one having authority, when he ascribed the slow progress and the unsatisfactory results of the Conference to the "extraordinary difficulty" caused by the "diverse interests, diverse points of view, and diverse needs in disarmament" of the many nations concerned; to the "tremendous differences" that separated "delegation from delegation and nation from nation;" and above all to the fact that "the last word in these matters is the political word." It was

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for these reasons, said Mr. MacDonald, that the British Government had at last submitted a draft of an international convention containing as its essential features "figures regarding various armaments" and a provision for "security."

This plan, apart from details as to armament, suggests the allotment to each of various European countries of an average daily effective armed land force. For Germany it proposes 200,000, for Bulgaria and for Hungary 60,000 each; if we add Austria's unmentioned 20,000 we have a total of 340,000 men for what is left of the former "enemy" countries. Among the victors, France is allowed 200,000 home forces and 200,000 colonial, in all 400,000; Belgium, 60,000 home, and 15,000 colonial, in all 75,000; Italy, 200,000 home, 50,000 colonial, in all 250,000; Poland, 200,000; Rumania, 150,000; Czechoslovakia, 100,000; Jugoslavia, 100,000; Greece, 60,000. This would give to the victors, exclusive of Great Britain, for whom figures were not submitted, a comfortable total of 1,235,000 as against 340,000 to the vanquished. To Russia, which now stands aloof, it was proposed to allow 500,000. From these figures it would seem that "security" presupposes not equality, but an overwhelming superiority for the victors, even without the persistently sought for "consultative" coöperation of the United States.

But, after all, the question is not so simple as this. There may still be persons who innocently suppose that the victorious Powers, in their common ardor for the good of humanity, completely and forever sank, while waging war together, all national ambitions and all selfish interests. This view could hardly have been shared by those who knew the contents of the treaties (the existence of which was by no means so "secret" as it is often alleged to have been) for the division of the spoils of war; nor should such a view have been entertained by any sensible man. Conflicts of interest, of ambition and of sentiment between nations must continue to exist as long as they exist among the human beings of which nations are composed. No one, therefore, should be surprised at Mr. MacDonald's candid confession that the inability of the Disarmament Conference to agree was due to the fact that the national delegations were kept widely apart by "diverse interests" and "tremendous differences" in regard to which the last word must be the "political word." Equally creditable to Mr. MacDonald was his admission that another and special complication was the fact that they were pledged by

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the Versailles Treaty, made thirteen years ago, "to give equality to Germany," and that the time had gone by when by a combination of Powers "any European people" could, permanently and without even a gradual mitigation, be kept down by obligations which it regarded "as being inconsistent with its self-respect and its honor." Day after day at Geneva, said Mr. MacDonald, he felt that he was "looking upon a stage with something moving immediately behind the footlights," — "an ominous background full of shadows and uncertainties." Europe was, he declared, very unsettled, in a very nervous condition; and, unfortunately, "the one thing" that could "save us all," "well-founded confidence in each other," was "more lacking today" than it had been "for a very long time." Referring, then, to recent "events" and "speeches," and, also anonymously, to the peace treaties of which that of Versailles was the first, he said that they all had for months and months been conscious that certain acts done some years ago were coming to flower and fruit, and that on those now living fell "the responsibility of dealing with the ripened event." He then narrated his visit to Rome, made on the invitation of Signor Mussolini. The Italian Premier, he explained, felt that Article 19 of the Covenant, which provides for the consideration of international conditions the continuation of which may endanger the peace of the world, was not meant to become dormant; that, as the Covenant enforced respect for treaty obligations, it contemplated the possibility of a revision of treaties bearing upon such conditions; that, after the lapse of ten years, they had entered on the first period when there should be coöperation in revision; and that, if this view were adopted as an immediate aid to peace and to the solution of Europe's difficulties and dangers, the friendship engendered would have further beneficial consequences.

Mr. MacDonald did not mention the well-known fact that while Great Britain and Italy have no unsettled scores there are outstanding differences and rivalries between France and Italy which no doubt influenced Signor Mussolini in insisting that any reductions of armaments, and particularly of naval armaments, made by Italy should be fully reciprocated by her strongest neighbor. This also has a bearing on his proposal of the Four Power Pact; and if, as some have suggested, such a Pact denotes a rift in the League, the cause must be traced to the League's inability to bring about any substantial amelioration

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of the conditions of the peace treaties. President Wilson spoke of Article 10 guaranteeing existing territorial boundaries as the "heart" of the Covenant; and so it was. Perhaps Article 19 may be spoken of as the lungs; but, while one may live with only a part of a lung, one cannot live without his whole heart.

IV. INTERNATIONAL LAW AND NEUTRALITY

But it is when we come to consider what is said by some of those who assume to administer or profess to teach international law that the utterances of the new psychology cause the gravest apprehension. International law is condemned for conceding to war "legality," while the part relating to neutrality is rejected as forbidding "moral judgments" and their translation into action. Neither of these assertions can be accepted. On the contrary, they betray not only a total lack of comprehension of the law of neutrality, but also a fundamental misconception of the nature and function of all law, whether national or international.

Law does not create human activities; it merely recognizes and regulates them. The law of husband and wife neither perpetuates nor increases the propensity to perpetuate the human race; it merely recognizes the fact that the failure legally to regulate such a relation would invite a demoralizing uncertainty and chaos, while a legal ban would be both futile and ridiculous.

The pert retort that war does not perpetuate human life but destroys it would cause me not the slightest embarrassment. Defining civilization as the development of human activities under the restraint of endurable conventions, we must admit that peoples called civilized have constantly sought to increase their own growth and prosperity by war on peoples called uncivilized. War is defined as a contention by force, and, whether it be waged with fists or with frigates, its existence is coeval with the history of man; and, whatever may be its merits and demerits, it has been believed to be to some extent inevitable. An individual who commits an act of violence can readily be subdued; but such is not the case with men in the mass. The teachings of Christ are pervasively peaceful; but those who profess to accept them have seldom exemplified the precept not to resist evil. The early Christian Church beyond all cavil effectively exerted a distinctly peaceful influence, and often prevented wars between the peoples over whose minds and hearts it held sway; but the so-

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called religious wars, by which the division of the Church was followed, are conspicuous for their fierce and relentless character. The ancient writers on international law and relations evidently were better acquainted with these things, or were more candid with themselves, than are the proponents of our latest philosophy.

Theodore Roosevelt once exclaimed that we must have "Utopia or Hell." But as a consistent advocate of preparedness he apparently remembered that the world had always had the second alternative but never the first. The fathers of ancient as well as of modern international law similarly recognized the preponderance of proof. More than three hundred years ago Grotius, treating as undesirable extremists those who would declare all bearing of arms unlawful and those who regarded all war as lawful, wisely observed that when men urged things too far their authority was apt to be slighted, and their capacity for good diminished or destroyed. Therefore, while denouncing the evils of war, he did not suppose that he "legalized" it when he enjoined observance of the distinction between combatants and non-combatants, the humane treatment of captives, the sparing of private property, the abolition of its confiscation, the enlargement of the bounds of commercial freedom, and the establishment of rules of decision by which grave disputes have in countless cases been determined and strife and passion allayed. He recognized conquest only so far as the reëstablishment of peace made it inevitable. Not with the smallest foundation can he or his enlightened followers, who have formulated rules and treaties mitigating the practices of war, be held responsible for the late World War, or for the acts that have, in violation of their precepts, sown the seeds of future wars. Those who, holding international law in some measure responsible for the recurrence of international wars, would plunge the world into chaos by sanctions and outlawries, must in all charity be supposed to have overlooked the constant recurrence of civil wars, to whose appalling total, which recent years have greatly increased, the United States once made a contribution of the first magnitude. I have been wont to remark that international wars will cease when civil wars end. Within the state there is legal organization and sanction beyond anything yet proposed in the international sphere, while the very phrase "civil" implies that the war is outlawed. Nevertheless, when obliged to characterize the civil strife then

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raging in the United States, our Supreme Court, after observing that a civil war was "never solemnly declared," but became such "by its accidents — the number, power and organization of the persons who originate and carry it on," learnedly declared that "the laws of war, as established among nations, have their foundation in reason, and all tend to mitigate the cruelties and misery produced by the scourge of war," and that, in consequence, "the parties to a civil war usually concede to each other courtesies and rules common to public or national wars." And the Court then adopted from Vattel, renowned for his learning and humanity, this profoundly illuminating passage:

> The common laws of war — those maxims of humanity, moderation, and honor — ought to be observed by both parties in every civil war. Should the sovereign conceive he has a right to hang up his prisoners as rebels, the opposite party will make reprisals; . . . should he burn and ravage, they will follow his example; the war will become cruel, horrible, and every day more destructive to the nation.[3]

The results of an attempt to deal with insurgents in arms solely on the theory that their conduct is "illegal," and that they must unconditionally submit to force, were perfectly exemplified in the chaos and destruction which led the United States to intervene in Cuba in 1898.

In reality, the current delusion that international law "legalizes" war, and therefore must now yield to the war-tending and warlike processes prescribed by the Covenant, comprising "sanctions," boycotts, and war itself, is merely the legitimate offspring of the new and consoling theory that peoples may with force and arms peacefully exterminate one another, provided they do not call it war.

From the same anarchic womb springs the exultant cry that the law of neutrality, because it blocked the new channel to peace, has been torpedoed, and that the neutral owners gurgled approval as they drowned. This would be a sad tale, if it were true. But it is false. There is not in the world today a single government that is acting upon such a supposition. Governments are acting upon the contrary supposition, and in so doing are merely recognizing the actual fact.

In the winter of 1922–23 there was held at The Hague an international conference to make rules for the regulation of the activities of aircraft and radio in time of war. The parties to this

[3] The Prize Cases, 2 Black, 635, 666, 667.

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conference, over which I had the honor to preside, were the United States, France, Great Britain, Italy, Japan and the Netherlands. The delegates acted under the instructions of their respective governments. An examination of our unanimous report will show that it was largely devoted to the definition of the rights and duties of belligerents and of neutrals in time of war, and that it treated as still existing the Land War Neutrality Convention, the Convention for the Adaptation of the Geneva Convention to Maritime Warfare, and the Convention concerning Neutral Rights and Duties in Maritime Warfare, all made at The Hague in 1907. The idea that the law of neutrality had become obsolete never was broached.

So far as I am aware, not a single party to the Versailles Treaty or a single member of the League of Nations has ever taken the position that the law of neutrality is a thing of the past. The principal Powers in the League have on occasion taken precisely the opposite position. All the judges of the World Court, in the Kiel Canal case, unhesitatingly concurred in the view that the law of neutrality remained unmodified; no one thought of doubting its continuing force. Up to the time of my resignation from the Court in 1928 no such doubt had been whispered; nor am I aware that any has since been suggested. In the war between Greece and Turkey in 1922, Great Britain decided to remain neutral in the conflict, into which Canada and perhaps some of the other self-governing dominions unequivocally announced that they would not be drawn without their consent. In the statement made in the House of Commons by Sir John Simon, as Secretary for Foreign Affairs, on February 27, 1933, concerning the embargo (soon revoked) on the shipment of arms to China and Japan, Sir John expressly spoke of Great Britain as a "neutral government," and of the necessity, for that reason, of making the embargo apply to China and Japan alike. In other recent wars Great Britain has pursued a neutral course. France and other governments have done the same thing. On the recent declaration of war by Paraguay against Bolivia, the governments of Argentina, Chile and Peru immediately issued declarations of neutrality, thus showing, as they intended to remain neutral, an intelligent respect for international law, to the literature of which some of their publicists have ably contributed.

Governments intending to remain neutral in a conflict do not, it is true, always issue proclamations. In the case of a

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small or distant conflict, a proclamation may seem to be needless; but the laws stand on the books and are enforced whenever the occasion may arise. Neutrality proclamations are only clarifying warnings. Neutrality always has had, as classical records show, the highly moral and expedient object of preventing the spread of war; and it furthermore prohibits the doing in time of peace of acts designed to contribute to the starting of wars abroad. In the days of the old psychology, before the crafty throat of war began to coo of peace, neutrality was chiefly offensive to war-mongers and war-profiteers. Today, however, and very naturally, it is even more detested by the devotees of the war-gospel of peace through force. But even they should be willing to reflect on the fact that its abolition would make every war potentially a world war, and that its individual repudiation by the United States would, whenever war anywhere broke out, immediately expose us to attack, as well as to claims for damages and to forcible measures of redress for any specific unneutral acts. It would also enable any Power or combination of Powers having an interest so to do to proceed against us as an enemy. Should little Costa Rica or Salvador enter upon the course now urged upon the United States, how long would they be permitted to remain on the map? And might not the United States demand precedence as Lord High Executioner? It is not logical for those who clamor for peace to cry out for measures the adoption of which only a nation commanding overwhelming force could hope to survive.

It is argued that increased population, industrialism, and interdependence, and the increased variety and speed of communications, have made neutrality increasingly ineffective, and have also made it likely that war, when it starts in any part of the world, will envelop the whole. In reality, the better and speedier the means of communications the more effectively can a government enforce its neutrality. That the enforcement of neutrality by the United States became easier and more effective with improvement in communications is as notorious as it was natural. The supposition that the recent great war is entitled to preëminence as a world war, that improved means of communication caused it to become so, and that it shows that every local war is now likely to cover the earth, is remarkably unfounded. It did not begin as a local war, but embraced all the European Great Powers and some of the lesser. It did not exceed the spread

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of all previous wars, or equal that of some of them. Its extent in no sense resulted from improved means of communication. The numerous local wars that have since occurred, but have remained local, clearly demonstrate that the supposed greater likelihood of spread is fanciful. But, on the evidence before us, it must be admitted that the erroneous belief that every war is now likely to become a world war creates a passion to make it so.

The supposition that the law of neutrality imposes moral indifference to the merits of armed conflicts and makes any intervention in them unlawful, I can only call baseless. The law of neutrality does not require a neutral state to remain so. A neutral state may, should it so desire, enter the conflict; but it cannot be both in and out. The law of neutrality merely applies the rule of common honesty. Parties to an armed conflict are entitled to know who are in it and who are not. No matter how it is viewed, the demand that the law of neutrality shall be considered as obsolete is so visionary, so confused, so somnambulistic that no concession to it can be rationally made.

V. ARMS EMBARGOES

Repugnance to the law of neutrality is justified only on the part of those who, as shown by the original draft of the recent Arms Embargo Resolution before Congress, wish public authorities not legally invested with the power to declare war to be able at any moment, either alone or in association with others, to involve the country in war. This repugnance naturally distinguishes those who wish the United States to assist in enforcing the "decisions" of the League of Nations, pending the fulfillment of their desire that the United States become a member of the League. This object reverberates in the letter of Viscount Cecil, published in the London *Times* of February 21, 1933, on the "very important pronouncements" made by the "Democratic President-elect of the United States" on January 11, and by the "Republican Secretary of State," Mr. Stimson, a month later; pronouncements which, he says, "make it clear that both parties in the United States stand for participation in an arms embargo against an aggressor State," while "the *Republican* Secretary of State declares that in this connection a decision by the League as to which is the aggressor is for practical purposes conclusive!" In still cherishing, as we have seen they do, the law of neutrality, members of the League no doubt regard it as an assurance against

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becoming involved in the untold wars to which, though neither desired by themselves nor approved by the League, the chaos resulting from the abolition of neutrality would expose them, as well as all other nations.

The Arms Embargo Resolution, as presented to Congress during the late Administration, proposed to authorize the President of the United States, either alone or in association with other Powers, discriminately to prohibit the shipment or sale of arms and munitions of war to one of the parties to a war, while leaving unrestrained the shipment and sale to the other. In this form the resolution, unless deliberately designed to disregard existing international law, evidently proceeded upon a complete misconception of the legal significance of the supply of arms and munitions of war to the parties to armed conflicts. The statement is often made that the trade in contraband is lawful, and the statement is also often made that such trade is unlawful. These statements may seem to be conflicting; but, when properly understood, they are both correct. Because there is much dispute as to what the term contraband includes, and because it has so far been deemed proper to limit the burdens to which a neutral Power is subject, international law has not up to the present time required neutral governments to prevent their citizens from manufacturing, selling and shipping contraband, including arms and munitions of war, in the regular course of commerce. Hence, in the sense that a neutral government is not obliged to suppress such trade, the trade is lawful. On the other hand, however, international law recognizes the right of a party to a war to prevent such articles from reaching its adversary, and, if it seizes them, to confiscate them. This essential right we have ourselves always exercised in our wars; and we never should, I suppose, dream of giving it up. The trader carries on the business at his peril, and his government is forbidden to protect him. But as the supply of arms and ammunition to a fighting force is a direct contribution to its military resources, a neutral government cannot itself supply such articles to the parties to an armed conflict, or permit its citizens to supply them to one party but not to the other, without abandoning its neutrality and making itself a party to the conflict, whether war has or has not been declared. It would therefore be altogether indefensible, whether the resolution be limited to America or extended to the whole world, to pass it in a form that would enable the Executive alone

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to expose the United States to reprisals and justifiable war by other nations by doing things that in their nature carry a country into war.

Had it from the beginning been agreed that every war was to be treated as a universal war, the course of history might have been changed, but not for the better. Said Cromwell: "Put your trust in God; but mind to keep your powder dry." Napoleon, than whom there could be no higher authority on such a subject, said, "Providence is always on the side of the last reserve;" and the truth of this saying was as clearly demonstrated in his final defeat at Waterloo as it was in his previous victories. Moralists now proposing to regenerate the world by violence, without regard to the consequences to their own country or to any other, might also reflect on Lowell's line: "Truth forever on the scaffold, Wrong forever on the throne." Dryden spoke of "Worth on foot and rascals in the coach." As our advanced moralists of course expect to ride in the coach, they might do well to consider how they might themselves be classified when the country came to pay the cost of their reckless superiority to law and to the lessons of history.

It is said that our authorities may be relied upon to refuse to exercise the powers so sweepingly conferred upon them. This is indeed a singular argument. Couched in the language of irresponsibility, it is not only self-stultifying but also unjust. The burdens and cares resting upon those who administer our affairs are already grave and harassing enough without imposing upon them the pastime of playing with war.

It is also said that the resolution as originally drafted would merely confer on the President the same power as that conferred on other heads of states, including that of Great Britain. But this statement wholly overlooks our constitutional limitations. The British Crown possesses the power to declare war and to make alliances; the Constitution of the United States denies to the President the power to do either. On the contrary, the war-declaring power is vested in Congress, and the making of alliances requires the advice and consent of the Senate.

Should the United States desire to prohibit the furnishing of implements of war to those who are engaged in armed strife, this may readily be done by providing for a comprehensive, non-partisan embargo on the shipment of arms to all countries engaged in armed strife, whether international or civil. Such an

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embargo would naturally be announced and imposed by public proclamation. Of this no foreign Power could complain. There are already various countries which, in accordance with their laws, impose such a ban. That such an inhibition, without the coöperation of all other neutral nations, tends to limit the area, destructiveness or duration of war I do not now undertake to affirm. Some notably humane writers, such as Westlake, have urged that a total ban might render weaker nations, financially unable to maintain munitions factories of their own, incapable of asserting or of defending their rights against larger Powers. Considerations such as these lie within the domain of policy.

VI. THE AGGRESSOR

It is dangerous to allow a fallacy to pass unchallenged because its refutation should seem to be superfluous. Especially is this so when it may easily be imposed on uninformed or unreflecting minds by appeals to the sentiment of benevolence. These truths are perfectly exemplified by the spread of the recent agitation for the punishment of "aggressors."

The word "aggressor" does not occur in the Covenant, but it has been used as the technical designation of the nation to which the warlike devices of the League of Nations were intended to apply. For this reason many attempts have been made at Geneva to define an aggressor, but never with any success. Among these may be included the delphic effort of M. Briand. "A cannon shot," said M. Briand, "is a cannon shot;" and "you can hear it, and it often leaves its traces." Then, conjectures M. Briand, the League says "Cease fire;" and, "if one of the adversaries refuses, we can surely say that he is not really very anxious about peace." I have great respect for M. Briand, and if this was the best so able a man could do, the case must indeed be desperate. Certainly a cannon shot is a cannon shot. But if the adversary who ceased fire on Geneva's command should then be killed or disabled, he neither could nor would feel grateful, nor would his example inspire enthusiasm. Besides, even if Geneva had large military forces of her own in Europe, and they were not already preoccupied with exerting a peaceful influence in that quarter, it is a long way, for example, to Singapore; and decisive wars have often been of brief duration.

M. Briand's delicate and fragmentary suggestions clearly indicate that he did not intend them to be taken seriously as a

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definition. More serious in tone but equally futile is the suggestion made on the part of the United States at Geneva on May 22, 1933, that "the simplest and most accurate definition of an aggressor is one whose armed forces are found on alien soil in violation of treaties." Whether the framer of this definition was or was not thinking of Manchuria, he immediately impaled the sudden seizure and occupation of Vera Cruz by the United States in April 1914, in disregard of the treaty with Mexico of 1848, which expressly provided that neither party should resort to force before trying peaceful negotiation, and, if that should fail, arbitration. The excuse, should it be attempted, that there was no time for discussion, would merely puncture the definition. Moreover, were there no treaty, would an armed invasion cease to be an act of aggression? Might not such an invasion, even if a treaty were violated, be excused as an act of self-defense? In the celebrated case of McLeod, which nearly brought on a war, Great Britain excused her invasion of United States territory on that plea; but as the United States denied that the facts supported the plea, Great Britain made a soothing apology without admitting any wrong. Would, or would not, the new definition justify the landing of foreign troops to preserve order, as has often been done without the consent of the local government? Would it, for instance, make our military occupation of Nicaragua an act of aggression? Furthermore, will it be asserted that the answer to the question whether a treaty has been violated lies on the surface, and may not be a subject of honest difference of opinion, both on the facts and on the law, even among disinterested and impartial judges? Evidently, the draftsman of the definition was less prudent than the knowing M. Briand. It has also been suggested that the aggressor is he who fires the first shot; but the law does not require a man who believes himself to be in danger to assume that his adversary is a bad shot.

Probably it would be unfair to surmise that the persistent effort, after a decade of ghost dancing, to define the "aggressor," always reflects the desire by means of some formula readily to obtain the military coöperation of the United States nominally in the righteous cause of peace. The thought of restraining aggressors is very ancient; but the attempt to define aggression for practical purposes has always failed, because, as has been well said,[4] it is impossible to specify beforehand the objective criteria

[4] "The Slippery Aggressor," *The World Tomorrow*, June, 1930.

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on which the decision whether an act was overt would necessarily depend. Although nations when they go to war always profess to repel overt acts, yet they frequently do not go to war on account of them; but an assurance of associate force would necessarily increase their propensity to do so. Moreover, it is notorious that overt acts are sometimes craftily provoked for the purpose of justifying aggression; and it may be significant that the definition of the "aggressor" peculiarly preoccupies the minds of those who are best prepared to commit aggression.

On the other hand, the taking of a forcible initiative may be the only means of safety; and the importance of this principle is necessarily enhanced by the insistence of nations or groups of nations on maintaining preponderance of military power. Portugal acted on this principle when, in 1762, the combined forces of France and Spain were hovering on her frontier. In many instances the question of aggression remains indeterminate. The Hundred Years' War, which began in 1292, originated in a fist-fight between two sailors, the one Norman and the other English, in the port of Bayonne. In the battle of Navarino which, in 1827, resulted in the destruction of the Turkish fleet by the combined naval forces of England, France and Russia, the first actual shot was fired by the Turks; but English naval writers later candidly admitted that the Ottoman commander probably believed that he was repelling an attack. In the case of the destruction of the armed brig *General Armstrong* by a British squadron in the port of Fayal, Louis Napoleon, acting as arbitrator, held that the brig was the aggressor; but our Congress, believing this decision to be wrong, eventually compensated the brig's owners, officers and crew for their losses. When, in 1894, a Japanese cruiser before war with China was declared sank the British vessel *Kowshing*, carrying Chinese troops to Korea, an immediate outcry took place in England; but the excitement soon died down on the public justification of the cruiser's act by Holland and Westlake, two eminent English authorities on international law.

As experience has conclusively shown that the attempt to decide the question of the aggressor on first appearance is reckless of justice, we must, unless our purposes are unholy, rely on an impartial investigation of the facts. But this takes time. The Assembly of the League of Nations assumed jurisdiction of the Sino-Japanese conflict on September 21, 1931; the report of the Lytton Commission was signed at Peiping, China, on September

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4, 1932; the Assembly adopted the report of its own committee on February 17, 1933. The actual time covered by the proceedings was seventeen months, and even then a final conclusion was not reached. Decisive wars have ended in less time. Napoleon escaped from Elba in February 1815, and the decisive battle of Waterloo took place in the following June. The war over Schleswig-Holstein of 1864 was brief; the war between Prussia and Austria of 1866 lasted six weeks; the United States declared war against Spain in April 1898, and the peace protocol, which ended the military conflict and defined the basis of peace, was signed in the following August. These are only a few examples.

That intimations that a party to a dispute may be penalized as an aggressor may not have a deterrent effect has just been shown by the course of Peru in her recent dispute with Colombia. The hostilities continued until the sudden death of Peru's Chief Executive brought to the presidency a statesman who happened to have been a diplomatic colleague, at London, of the leader of the Colombian Liberal party. An exchange of personal messages and a journey by aeroplane to Lima resulted in the conclusion of a pact of peace. The friendly human touch quickly obtained what official admonitions had been unable to secure.

Had the principle of preventing aggression been applied one cannot say what might have been the results to the United States. Our War of Independence was generally regarded in Europe as an act of rebellion against lawful authority. In the war of 1812 we appeared as aggressive assertors of the freedom of the seas. General Grant pronounced our war with Mexico of 1846 an act of unjust aggression. The Government of the United States dealt with secession as an act of rebellion. In April 1898 the diplomatic representatives of six great European Powers assembled at the White House and in behalf of their governments made what was called "a pressing appeal to the feelings of humanity and moderation of the President and of the American people in their existing differences with Spain." They evidently did not regard Spain as the aggressor. President McKinley in his reply expressed the confident expectation that the remonstrating Powers would appreciate our offer "to fulfil the duty of humanity by ending a situation, the indefinite prolongation of which had become insufferable." Had they, when we forcibly intervened, declared an embargo upon the shipment of arms and ammunition to the United States, while continuing to supply Spain with the imple-

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ments of war, we should have resented in appropriate ways their partisan action.

Should we attempt to apply retrospectively the principle of staying or punishing the aggressor we should be obliged to determine the question whether the forcible creation of that great agency of law and civilization, the Roman Empire, or the forcible progress of any other great historic movement, should not have been prevented; whether the formation of the British Empire or the extension of France and her colonial empire should not have been opposed; whether the establishment of the Russian Empire should not have been resisted; whether the world should not have prevented the United States from becoming what it is; also, whether the forcible association in earlier times of the vast aggregation of states now known as China did not result from a neglect by other states of their duties and, perchance, their opportunities.

The opposite of self-defense is aggression. We have been told that the limits of self-defense "have been clearly defined by countless precedents." Students of this subject have remarked that it would be "interesting to know" what these "countless precedents" are, but their curiosity has not been gratified. It will not be. The attempt so to define self-defense that its future application would be clear and practically automatic is just as futile as the attempt similarly to define aggression has been — and must continue to be.

VII. CONSULTATIVE PACTS

In our last presidential campaign the platforms of both the major parties covetously leered towards a consultative pact. Normally, each platform views the other with alarm, and when they agree a general alarm is justified. One can only wonder whether freakish impulse or some cunning Mephistopheles caused the recent amorous accord.

The obtaining of a "consultative pact" has long been on the program of the conference so persistently staged at Geneva in the name of disarmament. To the uninitiated the word "consultative" seems to imply a friendly or platonic communion. Who would refuse to consult? Who would be so unneighborly as to refuse what is daily done as a mere act of civility? But no one should be deceived by this. Agreements are interpreted according to the subject matter. A reduction of armaments in consideration of a "consultative pact" would necessarily indicate as the subject

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of consultation the number of men, of ships and of aircraft that should be contributed in order to supply the place of what had been given up. In the present state of Europe, this would tend to increase rather than to diminish the existing tension and danger. While it would please certain countries, it would inflame others. Today Europe is divided into hostile camps. Why should we encourage any of them to strike while the iron is hot? A disinclination to strike might readily be converted into eagerness by reliance on our aid.

An innocent-looking clause in our treaty with the Samoan Islands of 1878 nearly got us into war, although it merely required the use of our "good offices" for the adjustment of differences between the Samoan and any other government. This clause was accepted by the United States in a spirit of pure benevolence, but there was no real Samoan government. One day, when the shadowy government seemed to be menaced, our consul at Apia ran up the American flag and declared a protectorate over the islands. This he was not authorized to do; but it precipitated a quarrelsome consultation which ended in the setting up of an international government that proved to be so calamitous that the United States eventually agreed to divide up the islands and have done with it.

The commitment of the United States to such a "consultative pact" as is desired at Geneva would, I believe, constitute the gravest danger to which the country has ever been exposed, a danger involving our very independence. It seems to be thought that we are an easy mark, and I say this not in any spirit of reproach. We all are human. Lambs are killed by men as well as by lions, but lambs are specially appetizing to the cultivated taste of the old and polished European nations. Younger peoples may act wisely in modestly avoiding banquets at which they may be obliged to consult others regarding what they shall eat or to take the risk of indiscriminate indulgence. It has been intimated that France might pay the overdue instalment on her debt to us if we would compensate her by a "consultative pact." The proposal made by us some weeks ago of a non-aggression agreement seemed to produce a general sense of disappointment, if not of disgust. But, should we enter into a consultative pact for the sake of a payment due on an old account, we should remember that for every dollar paid us for our amiability we might have to return a million or two for war.

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Of all conceivable devices the "consultative pact" is the most pernicious. It operates both as an incentive and as a lure. While it encourages the co-partner to do what he might otherwise refrain from doing, it fails, by reason of its indefiniteness, to deter the co-partner's antagonist from doing what he might not otherwise attempt. Numerous examples might be adduced to show this.

Such an understanding between Great Britain and France, called an *entente*, figures largely in the breaking out of the general war in Europe in 1914. This is clearly set forth by Lord Loreburn, formerly Lord Chancellor of England, in his "How the War Came." In this volume Lord Loreburn shows how, as the result of an agreement with France in the nature of a consultative pact, by which armed support was implied, the British people were brought into the war without previous knowledge of the danger in which they really stood. Acting under the secret understanding, Mr. Asquith, having obtained from Lord Lansdowne and Mr. Bonar Law an undertaking to assist him in Parliament, gave to France on August 2, 1914, a definite promise of armed naval support against Germany that irrevocably pledged the country to war. Commenting on the settled policy which had had the support of England's greatest statesmen, Lord Loreburn well observes that if England was to abandon her habitual aloofness from "continental alliances," whether "formal or in the infinitely more dangerous guise of 'understandings,'" it was "clearly necessary" that the country also should have had "if not compulsory service, at all events a population trained to arms."

In the draft of a disarmament convention which the British Government, with a view to meet the persistent demands of France and other countries, submitted to the Disarmament Conference at Geneva on March 16, 1933, the first part relates to "security;" and it is highly significant that the proposed parties to the convention are the parties to the Kellogg Pact. It is also worthy of notice that the occasion on which the parties are to consult is a breach or threatened breach of the Pact. But the British dominions, although parties to the Pact, are not among the Powers to be consulted. Probably this may be explained by the adverse and independent stand the dominions took in 1922 when it was suggested that they should support British intervention in the war between Greece and Turkey. The object of the conference, when called, is to agree on action respecting the

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threatened breach or, if a breach has occurred, "to determine which party or parties to the dispute are to be held responsible." The word "aggressor" is not here used. The phrase "to be held responsible" denotes a purpose to hold somebody responsible and to allow the greatest possible latitude in the determination of that question, no matter what its nature may be, whether it involves considerations of fact, or of law, or of politics, or of power. Such latitude, it must be admitted, is essential where nations combine to regulate one another's affairs, or to control one another's conduct, or to penalize misconduct. The proposed convention, while candidly recognizing these facts, wisely requires the concurrence of a number of governments; but, while requiring unanimity on the part of the Great Powers, unless one or more of them should be parties to the dispute, it requires the concurrence of only a majority of the smaller Powers. Although it is easy to conceive of questions on which the judgment of the latter would be more likely to be impartial, the proposal savors of the hegemony of the Great Powers, of which so much was said before 1914, when the Great Powers themselves tumbled into an appalling Great War. Conferences may be useful and even necessary; but when nations come to determine, through their political authorities, questions of legality, morality and good faith raised by acts that have happened, or seem likely to happen, and to impose prohibitions or punishments, it is idle to conceal from ourselves the fact that they are moving and breathing in an atmosphere of force and of war, and probably without the benefit of that calmness of mind and impartiality which judicial proceedings are intended to assure among nations as well as among individual men.

A commitment more contrary to the vital interests of the United States as heretofore understood could not be conceived of. It would destroy the last vestige of the power to control our own destiny that has heretofore been the most cherished part of our birthright.

In this connection we should not fail to consider the psychology of our own people. Although not military in the sense of keeping large armaments and preparing for war, they are ingenuous, adventurous and militant. They rose and threw off the colonial yoke, although it was milder than that of other countries — the mildest of the time. President Madison, quiet and gentle in spirit, was pressed into the War of 1812. In the Greek war for independ-

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ence some of our public men warmly advocated our participation. In 1846 Congress declared the existence of war with Mexico without awaiting the printing of the diplomatic correspondence. In 1852 it required all the sober sense and self-control of our statesmen to resist the popular movement for intervention in Hungary. We drifted into the Civil War in 1861 on disputed points of constitutional law. In our war with Spain in 1898, most of the European Powers regarded our action as aggressive. After the impulse to enter the World War got its stride, President Wilson denounced Senators who opposed it as "willful men." Our demonstrated readiness to go to war, in spite of our impression that we are the most peaceful people in the world, makes it specially dangerous that we should commit ourselves to interested appeals to impulses better understood by others than by ourselves. Nor should we forget how suddenly and unexpectedly wars often break out and the trivial incidents which sometimes precipitate them. I would not abandon my fellow-countrymen to consultative shambles.

VIII. MANCHURIA

Having read the entire Lytton report, I am impressed with its comprehensiveness. The sincerity of its effort to ascertain the truth is shown by this paragraph:

> It must be apparent to every reader of the preceding chapters that the issues involved in this conflict are not as simple as they are often represented to be. They are, on the contrary, exceedingly complicated, and only an intimate knowledge of all the facts, as well as of their historical background, should entitle anyone to express a definite opinion upon them. This is not a case in which one country has declared war on another country without previously exhausting the opportunities for conciliation provided in the Covenant of the League of Nations. Neither is it a simple case of the violation of the frontier of one country by the armed forces of a neighboring country, because in Manchuria there are many features without an exact parallel in other parts of the world.

The report's chief defect is, I think, the importance which at the outset it assigns to "the improvement of modern communication" as having induced the flagrant acts of force which extorted from China the Treaty of Nanking and the cession of Hongkong. Long accustomed to reflect on the trade rivalries and struggles for empire of European Powers in the Far East during preceding centuries, on the gain and loss of vast colonies, the truly world wars that were fought when ships were small and

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slow, and on the fact that what was done in 1841 only chiseled the margin of China's seclusion and did not break its spirit, I cannot share the common habit of thinking of "isolation" as an antonym of speed, even though Japan, by a deliberate self-development that embraced the assimilation of all speedy devices, induced her exemplars in speed to renounce their earlier privileges. Only by taking all these things into account can the attitude of the east toward the west and of the west toward the east be so understood as to help the reader to perceive whether the word "nationalism," which the report so often uses, predominantly denotes, in a particular instance, an anti-foreign sentiment or an aspiration after national unity. The divisions in China largely account for her present plight. In treating of Manchuria, the report does not overlook Russia's progressive absorption not only of that province but also of Korea, which caused Japan, in concern for her own national life, to risk war with Russia thirty years ago. But measures suggested by the report for the adjustment of present conditions are exceedingly complicated and largely depend for their successful application on a coöperation between China and Japan such as the western nations have not shown respecting the limitation of armaments or the readjustment of the balance of power as between themselves, to say nothing of their continued refusal to relinquish their extraterritorial rights in China because their surrender would be premature. The "conditions of a satisfactory solution" suggested by the report embrace compatibility with the interests of China and Japan, consideration of the interests of Russia, conformity to the provisions of the Covenant, of the Kellogg Pact and of the Nine-Power Treaty, the recognition of Japan's rights and interests in Manchuria and of her historical associations with that country, a conventional restatement of the respective rights, interests and responsibilities of both China and Japan in that quarter, provision for the prompt settlement of minor disputes, the adoption, consistently with China's sovereignty and administrative integrity, of measures of government and autonomy so drawn and executed "as to satisfy the essential requirements of good government," the establishment of a local gendarmerie effective for the purposes of internal order and security against external aggression, the conventional improvement of commercial and political relations, and, as these various conditions can hardly be fulfilled without a strong central government in China, the establishment

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of a temporary international coöperation in the internal reconstruction of China. The report further says that, if an adequate *rapprochement* between China and Japan is not secured, no solution, no matter what its terms may be, can ever be fruitful. The suggestions also propose various declarations and treaties, the details of which are fully elaborated; but foreign coöperation and supervision largely figure in them.

The report of the Committee of the Assembly of the League, to which these suggestions were submitted, cannot be highly commended. Its tone is that of reproof. Japan is not called an "aggressor," but this is strongly hinted; and references to provisions of the Covenant that contemplate the use of force are rather plentiful. The Assembly adopted the report on February 17, 1933, together with recommendations some of which summarily stated definite conclusions; and acceptance of the recommendations as a whole was made a condition of representation of the parties on a special committee which it was proposed to appoint to assist them in their negotiations. Japan then protested and resigned from the League. Had the Assembly tendered friendly and impartial good offices, and, as a great Secretary of State of the United States once suggested to an offending government, used "some kind words," it might have contributed to the actual and amicable solution of the immense difficulties which the Lytton report so clearly explained. On February 27, 1933, Sir John Simon, speaking for the British Government to the House of Commons concerning the armed struggle in Manchuria, had declared: "Under no circumstances will this Government authorize this country to be a party to the conflict."

In view of Great Britain's vast interests in the Far East the foregoing statement is impressive. Other European governments have spoken in a similar sense, and the arms embargo by Great Britain, which was so soon revoked, stood alone. Strangely, it was chiefly in the United States that cries for boycotts, arms embargoes and other measures were heard. These cries reverberated internationally; and there was used in both countries, even in official statements, language that reflected the prevailing excitement. Diplomatic windows are peculiar. They automatically open to bouquets, but never to gravel. A single brick may shatter all the panes. Even a well-intended admonition, if the surface is rough and hard, may have a like effect. During the war between Russia and Japan in 1904, when Theodore Roosevelt was Presi-

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dent and John Hay was Secretary of State, the United States specially enjoined on all its officials, civil, military and naval, the practice of courtesy, moderation and self-restraint, lest resentment might be aroused. The Nine-Power Treaty has constantly been mentioned, and references to it are altogether proper. It enunciates an old principle intended to avoid danger in situations which actual conditions complicate. The parties to it, besides the United States, China and Japan, are Belgium, the British Empire, France, Italy, the Netherlands and Portugal. In the United States it has constantly been spoken of as having special "sanctity." No doubt, a nation's faith should ever be inviolable, whether pledged to other nations or to private individuals; nor should a pledge to the latter be less sacred because its violation may be less dangerous. But the application of the terms of treaties to actual cases is often disputed and uncertain, and nations are inclined, especially when they are under pressure, to be tenacious of their own opinions. France, for instance, in 1923 refused the proposal of Great Britain to refer the question of the legality of the occupation of the Ruhr to the Permanent Court of International Justice. On the other hand, the many references to arbitral boards show how often nations disagree on questions of interpretation.

The thought of armed intervention by the United States in Manchuria, while glaringly inconsistent with the recent vote to abandon the Philippines, inevitably suggests the possible failure of its object as well as other serious consequences. Should the attempt to occupy the territory be successful, the perplexing questions whether to hold and administer it, or to turn it over to China, as she would naturally wish, or to some other Power, or to set up an international government, would necessarily have to be determined. Article 35 of the General Act of Berlin of February 26, 1885, relating to protectorates on the coast of Africa, recognized "the obligation to insure the establishment of authority in the regions occupied by them . . . sufficient to protect existing rights, and, the case arising, freedom of trade and of transit on the conditions that they may have agreed upon," and this obligation was pronounced by the highest authorities to be based also on "the nature of the case." Where efficient local government does not exist, the total failure of our trial some years ago of international government in little Samoa indicates that of all kinds of government the international is the worst.

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The phrase "open door" is often used in a fighting sense, although war might necessitate the door's temporary closure. The "open door" means trade, but, of course, not in the highly obnoxious sense of "free trade," although a very moderate conventional tariff has long been imposed on China. For 1932 the figures of United States trade with China and Japan are as follows: exports to China $56,171,000, imports from China $26,176,000; exports to Japan $134,537,384, imports from Japan $134,011,311. Without undertaking now to suggest what our final attitude towards the new state of Manchukuo should be, I am bound to say that the proposal of permanent "non-recognition" too vividly recalls the uncertainty and failure, and the disorder, local and international, which attended the recent trial of that futile and demoralizing process as a means of preventing revolution or other unconstitutional acts in other lands.

In 1919 President Wilson did not submit to the Senate a tripartite treaty he had signed at Paris to guarantee the eastern frontier of France, although in the long run internal order is maintained on both sides of the Rhine. Many examples, including the war of thirty years ago between Russia and Japan and the unended conflicts that have since occurred, show what a quagmire Manchuria offers for the swallowing up of blood and treasure, without permanent and uncontested reward to those who take their chances in it. The much vaunted annihilation of space and time has not yet enabled a nation thousands of miles away to exert its military power as effectively as it may do at home or in its immediate environment. For a distant nation to take the chances of armed intervention in Manchuria, unless in pursuit or defense of a vital interest, would suggest a recklessness savoring of monomania.

IX. OUR BIRTHRIGHT

Washington, in his farewell address, said:

> Against the insidious wiles of foreign influence, I conjure you to believe me, fellow-citizens, the jealousy of a free people ought to be *constantly* awake, since history and experience prove that foreign influence is one of the most baneful foes of republican government. . . . The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connexion as possible. . . . Europe has a set of primary interests which to us have none, or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our interests. . . . Why quit our own to stand upon foreign ground? Why, by

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interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

The original draft of this admonition was made by Alexander Hamilton who, like Washington himself, was born a British subject; but their minds embraced the entire world.

Jefferson, not forgetting the Declaration of Independence which he drew, warned his countrymen that their form of government exposed them more than any other to "the insidious intrigues and pestilent influences of foreign nations," and that nothing but an inflexible neutrality could preserve us. Their mutual jealousies and their complicated alliances were, he said, all foreign to us. They were nations of eternal war. His motto therefore was: "Peace, commerce and honest friendship with all nations — entangling alliances with none."

Sagacious John Adams, who spent many years in Europe and signed our first treaty with Holland as well as the treaty with Great Britain acknowledging our independence, when a European diplomatist remarked that he seemed to be afraid of being made the tool of the Powers of Europe, exclaimed, "Indeed I am;" and when asked "What Powers?" replied "All of them." And he added:

> It is obvious that all the Powers of Europe will be continually manœuvering with us to work us into their real or imaginary balances of power. They will all wish to make of us a make-weight candle, when they are weighing out their pounds. Indeed, it is not surprising; for we shall very often, if not always, be able to turn the scale. But I think it ought to be our rule not to meddle; and that of all the Powers of Europe, not to desire us, or, perhaps, even to permit us, to interfere, if they can help it.

Nothing more profoundly true was ever said; and this was fully recognized by all our national administrations and by our greatest statesmen down to twenty years ago, when, to the disturbance of our interests and our happiness, we began to swing on the trapeze at international political performances and even to pay for the privilege of so doing.

Not long ago a callow stripling, when I mentioned the name of George Washington, curtly remarked that his ideas were out of date and unsuited to the modern world. This is an essential postulate of the shallow dupes who, prating of our having lately become a "World Power," urge that we blindly don an imported livery of "world service," to be paid for, on demand, in unesti-

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mated instalments of blood and treasure. But it is a sad day when the children of a nation are taught to prattle ignorant and perverted slights of the men who, with steady and skilful hands, laid the foundations of its greatness and prosperity; men to whom, by reason of their exemplary valor, integrity and wisdom, an understanding world has awarded the highest place among the immortals. Thomas Jefferson, who spoke with the authority of an intimate official association, and with an intelligence that embraced all times and all climes, declared that in elevation of character, in sureness of judgment, in firmness of purpose, in inflexible justice and in scrupulous obedience to the laws, civil and military, throughout his whole career, Washington furnished an example unparalleled in history. Jefferson himself stands before the world as a great political genius, whose ideas still stir men's minds. Alexander Hamilton, soldier, jurist, great administrator, of whom Webster said that "he touched the dead corpse of Public Credit, and it sprung upon its feet," is still studied as a profound political theorist, at home and abroad. And what of Benjamin Franklin, discoverer, inventor, philosopher, consummate diplomatist, at home in all lands, of whom Charles Phillips eloquently said that his fame would revive the hopes of men in ages yet to come?

Such are the men whom our vaporers of current sublimities would shelve as fossils in our museums of natural history, on the hasty supposition that by various modern devices, by which men may more rapidly and more frequently communicate, and more quickly hurt or help one another, discordant races and peoples have been harmoniously united in thought and in action and in brotherly love. Where congeniality is lacking, propinquity does not tend to create affection; on the contrary, it tends to breed hatreds. Where are today the danger spots of the world? They are coterminous countries. The French and the Germans have for centuries lived side by side. No artificial device is needed to enable them quickly to come into contact. The thin line of their common frontier can instantly be strided. For ages they have crossed and re-crossed it in peace and in war; and yet, how much have they learned to love one another? Their recent fierce and desperate conflict, and the unappeased sorrows and resentments by which it was followed, will be accepted as a conclusive answer, except by those who would employ processes of peace that would cause the echoes of war daily to haunt the fireside.

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The times must be out of joint when a warlike ardor for peace depreciates the glory that was Greece and the grandeur that was Rome; when new and untried visions are held superior to the proved philosophies of Plato and Aristotle, of Cicero and Seneca, of Bacon and John Locke; and when the wisdom of great statesmen, heard with reverence only twenty years ago, is suddenly rejected as having no current value.

We hear much today of the duties of the United States as a "World Power," and the supposition seems widely to prevail that we have only lately reached that eminence. But the United States has always been a World Power. It acted as a World Power when, on the outbreak of the wars growing out of the French Revolution, its first President, George Washington, with Thomas Jefferson as his Secretary of State, proclaimed our neutrality. It acted as a World Power when, some years later, it suppressed the activities of the Barbary pirates. It acted as a World Power when, in 1812, it went to war in defense of neutral rights and the freedom of the seas. It acted as a World Power when it proclaimed the Monroe Doctrine. It acted as a World Power in extending its trade and opening up foreign countries to its commerce, as it so effectually did by peaceful processes during the presidency of General Andrew Jackson. It acted as a World Power when it refused to permit the intervention of foreign nations in our civil war. It acted as a World Power when it forbade the further maintenance of the European empire set up in Mexico by French arms during our civil war. It acted as a World Power when, in the administration of President Grant, with Hamilton Fish as his Secretary of State, it brought about, through the greatest of all international arbitrations, the amicable settlement of the Alabama Claims, and in so doing made a signal contribution to the further development of the law of neutrality.

It is useless to continue the specification of instances. Nations, like individuals, may increase their power by combining with a due attention to their own business the extension of their friendly offices to brethren in trouble, and by conserving their militant resources for occasions when their vital interests are at stake. A nation that undertakes to meddle with every foreign disturbance is bound to become an international nuisance, to its own detriment as well as to the annoyance of other countries. Power is neither gained nor kept by such methods. Although megalomania may be sincere, it is noted for its mistakes.

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In the French National Convention which met on September 21, 1792, the dominant factor was called the Mountain. This group, comprising the most radical Jacobin element, of which Marat and Robespierre were the chief spokesmen, was always in a state of more or less delirious eruption. During the Reign of Terror, with which the group is identified, the French Government instructed its minister in the United States to bring about "a national agreement, in which two great peoples shall suspend their commercial and political interests, and establish a mutual understanding to defend the empire of liberty, wherever it can be embraced." This appeal is similar to that which is constantly heard in the United States today, but it did not move the unfeeling statesmen who then guided our destinies.

Those who oppose our intermeddling with what does not properly concern us are dubbed "isolationists." We should not resent this; we have good ancestral justification. All through her history Great Britain has held aloof from continental alliances except so far as they might seem to be temporarily necessary for her safety. In the Thirty Years' War which convulsed the entire Continent she took no part. At the close of the wars of the Spanish Succession she dropped her alliances and made her own peace. As is pointed out by Lord Loreburn in the volume heretofore quoted, every single Great Power on the Continent was, during the sixty years preceding 1914, repeatedly engaged in continental war; France thrice, Germany thrice, Russia twice, Austria three times and Italy four times. During the same sixty years Great Britain was involved in continental war only once, in 1854, when in alliance with France she backed Turkey against Russia and committed the mistake later described by Lord Salisbury as "putting her money on the wrong horse." One of Great Britain's reasons for abstention as declared by her statesmen was the prevalence of deadly animosities and conflicts of interest that still survived among the continental Powers. The British policy was to maintain good relations with all her continental neighbors not only with a view to exerting a friendly influence in composing their differences but also to avoid commitments which might compel a participation in foreign wars and deprive the country of its independent control of its own policy. But there was yet another reason; all the great continental Powers had adopted universal compulsory service. Great Britain's cardinal principle was to rely upon an overwhelming superiority

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at sea. It was these things that led Lord Salisbury, when Secretary for Foreign Affairs at the close of the last century, to boast of England's "splendid isolation." When an inheritor of the name of Elizabeth's great minister used this phrase it did not occur to Englishmen to reproach him for an abandonment of their "world leadership," or to wail over their neglect of their international duties. On the contrary, when Lord Salisbury spoke of "isolation," Great Britain was still tingling with memories of the Diamond Jubilee, when statesmen coming from the ends of the earth to pay homage to the Great Queen saw without dread the vast fleet that confidently rode the inviolate sea that washes England's shores. Here, the victims of the new psychology use the word "isolation" as a term of opprobrium. It would be as sensible to condemn as an "isolationist" a man who did not tie himself up with unnecessary contracts, and especially of the kind that were likely to impoverish or to ruin him, without benefit to himself and perhaps with injury to others. Such epithets serve only to exemplify the want of knowledge and of understanding of those who employ them.

Conspicuous in the lingo of the past decade is the plea for the continuance of the kind of "leadership" with which we began to bless the world less than twenty years ago. Some of our very eminent men have urged this plea. But I have often wished that those who use such language would reflect on how it may strike other peoples, in Europe and elsewhere. Why, for instance, should the British, the Dutch, the French, or the Italian people pant for our spiritual, our moral or our political guidance? Why should they regard as superior to them a people whom they benevolently associate with mass production, skyscrapers and prohibition? If they were to express their inmost thoughts would they not confess that such utterances sound to them somewhat boastful, somewhat neglectful of their great historic tradition? How should we ourselves now feel if the eminent foreign statesmen who lately responded to President Roosevelt's invitation to visit him, had, before leaving the United States, intimated that we needed their "leadership," and that any counsels or conditions they suggested should be accepted in that sense? Perhaps it is unfortunate for us that they did not say so. But, having had long experience in leadership, they can well afford to pay a polite deference to those who ingenuously profess to have usurped their ancient prerogative.

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We also hear much of the "international mind." Would to God that we had more of it! But in devoutly expressing this wish I do not confine it to my own country, nor do I lack a definite conception of what an international mind ought to be. Having for many years been connected with the administration of foreign affairs, I can truthfully affirm that there is no nation towards which I cherish a feeling of enmity. I have always been a peacemaker; and, as an international judge, I am willing to stand on my record as one who strove to act without fear or favor. But I confess that of all countries I love my own the best. No international mind is, in my opinion, to be desired or to be trusted that is not built on a national foundation. The man who cannot sing his national anthem with a whole heart is not fit to be entrusted with negotiations with foreign Powers. No experienced diplomatist would trust out of his sight an adversary who did not seek to obtain for his own country a square deal. Only those who are disposed to maintain the rights and interests of their respective countries can treat with one another on the basis of mutual self-respect. The best diplomatists are those who are willing to give as well as to take; who can grasp and apply the equitable solution that assures to each that which is justly due; who, in leaving behind them no heartburnings and resentments, conserve the interests of all. It is a pleasure to remember the men of this type with whom I have dealt.

We are told that invention and trade and industrial organization cannot be reversed. But nobody wishes or proposes to reverse them. We are told that the world has become too dependent on comforts to be willing to give them up; but, although dependence on comforts is not a sign of strength, either physical or mental, no one is specially advocating their abandonment. But the culmination is reached when we are told that we cannot "retire within our own borders" and lead a life of "isolation." When have we ever done such a thing, or proposed to do it? The late Grand Duke Alexander of Russia, on revisiting the United States in 1928 after an absence of thirteen years, said that on his return the impression he got was that what he had admired as the robustness of American life "had given place to the sickening self-consciousness of an hysterical idealism," and had been superseded by the "same hodgepodge of badly digested ideas" as had characterized the Guards Barracks in St. Petersburg thirty years back. "So this," he exclaimed, "was the American

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share of the Versailles spoils! It seemed bewildering that any nation should send 2,000,000 men across the ocean, fight for something that did not concern it in the least, tear up the map of the world and lend billions of dollars to its competitors — all for the purpose of acquiring the worst traits of pre-war Europe."

And for what is our birthright to be thrown away? Among other things, for membership in an association which, although established in the name of peace, is in the present state of the popular mind chiefly characterized by warlike devices. I am not opposed to an association of nations for the purposes of peace, and would not disparage any useful work the League has done. But the League, in dealing with political matters, suffers from the radical defects of its charter. My first and consistent opinion of the Covenant fully accords with that so thoughtfully and prophetically expressed by Mr. Elihu Root as early as March 13, 1919, in these words: "The more I study it, the more satisfied I am that it has some very useful provisions, some very bad ones, some glaring deficiencies, and that if it is not very materially amended not merely in form but in substance, the world will before very long wake up to realize that a great opportunity has been wasted in the doing of a futile thing." Most fully has this profoundly prescient comment been justified by the recent and too frequent occasions on which loose, excited and unfulfilled threats of employing the warlike devices of the Covenant have exposed the League to reproach if not to contempt. Nor do I hesitate to mention as an example the unhappy conflict between China and Japan in which, while warlike words were heard from Geneva, the ministers for foreign affairs of powerful members of the League were disavowing in their capitals any intention to intervene in the armed strife in Manchuria.

Originally, the League had the character of a political club which nations could enter only by invitation. To this phase Argentina long ago intelligently objected. There was a list of original members and a list of states invited to accede. No recent enemy state was on either list, although President Wilson, before going abroad, had declared that Germany would necessarily be admitted, for the purpose of controlling her if for nothing else. Mexico, although never an enemy state, was, because the United States did not then approve her, unbidden to the banquet of peace. Russia, in spite of her vast contribution in

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blood and in treasure to the Allied cause, had fallen from grace and entered upon courses that were not approved. With absences such as these it could not, even had the United States been present, have been truly said that the voice of the world was heard at Geneva.

But the most fundamental defect of the plan was the creation of the warlike devices on the fantastic assumption that the members of the League would, in making use of those devices, divest themselves of their individual interests and prepossessions, of their historic and instinctive antagonisms, and altruistically unite in enforcing the ideal of impartial justice. In the ordinary administration of the law, persons who have formed prejudgments are peremptorily excluded from the jury as being presumptively incapable of weighing the proofs and rendering a fair and just verdict. The members of the Council of the League of Nations are the delegates of governments; the members of the Assembly also represent governments. It cannot either justly or rationally be expected of such bodies to divest themselves of all prepossessions or consciousness of national interests, to say nothing of the fact that they must inevitably differ in opinion. It is for reasons such as these that where a conflict between nations occurs and the warlike devices of the Covenant are invoked they so readily excite apprehension and distrust. It is very significant that the professed friends of the League are the readiest to censure it for not hastening to employ the warlike devices. On the assumption that such persons accurately represent the spirit of Geneva and are influential in its deliberations, those who do not believe in war as the prime, or as the natural and appropriate, creator of peace cannot help reflecting upon the demonstrated fact that war may as readily be used for unjust as for just ends, for oppression as well as for liberty, for the crushing of some and the exaltation of others, and for evil as well as for good. No wonder that the League is visibly rocked and rent and the world disturbed and divided whenever an agitation arises for the use of the warlike devices which visionary men in an excited and unsettled time foisted upon those who were wiser and more modest in the estimation of what was practicable and desirable. It was on this rock that the great Confederation of Europe, based on the treaties that ended the Napoleonic War and the Holy Alliance, eventually was wrecked. Although it contained no elaboration of warlike devices for the preservation of peace, the attempt

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of subsequent conferences to employ united military action divided the Powers and brought to an end their association. Such a result may be regarded as inevitable.

Esau, thinking that he was about to die, sold his birthright for a mess of pottage; but the Bible censures him for having despised his birthright. What would have been the nature of the censure if he had thrown his birthright wantonly away, or had allowed himself to be cheated out of it? Europe is the victim of history, a seething mass of hereditary feuds. They exist in the western part as well as in the eastern, and they are peculiarly bitter in the southeastern, where the war in 1914 originated. The Balkan Peninsula may be likened to a Vesuvius, always in danger of an eruption. Once, when I asked an Albanian to meet a Serbian he did not know, he hissed in reply: "He i-s-s my en-ne-my!" The United States may, if it should unhappily see fit to do so, associate itself with these feuds and henceforth help to fight them out. It may embitter and help to perpetuate them, but it cannot end them.

In my early days I learned from great teachers the unity of human history. Human nature has not changed. Human propensities, human appetites and human passions have not changed. We come into the world in the same way, and our necessities are the same. The struggle for existence still continues and it will go on. As one long and intimately acquainted with men of arms, I may say that they do not share the new view that peace and tranquillity on earth may be promoted and stabilized by boycotts, by playing fast and loose with the law of neutrality, and by the extension of the area of wars. Wars are not brought about by the officers of our Army and our Navy; but wars have often been fomented by agitations recklessly conducted by persons who professed a special abhorrence of war. The motives and objects of war have been various; but, as war is a contention by force, it is waged for victory. The struggle, as it progresses, becomes more and more intense. Each day brings its tale of death and of desolation. Griefs accumulate; the passions burn more fiercely; the hoarse cry of vengeance grows louder and more insistent; and the cases are rare in which the peace that is extorted does not by humiliating conditions sow the seeds of future wars.

The true and only foundation of peace among men is the concession to each of that which is due. No doubt perfect justice is unattainable in this world. But there is an ideal of justice towards

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which every nation, every people, every individual should aspire. This ideal can be attained only through the reconciliation of our conflicting views and our conflicting interests. We are not all alike. No two men and no two women are alike. No two nations are alike. We differ in race, we differ in creed, we differ in color; and all differences tend to provoke antagonism. If we would keep men and nations at peace, we must remove the causes of their discontent, elevate their moral sentiments, inculcate a spirit of justice and toleration, and compose and settle their differences.

Such is my message, on which I am prepared to stand before any future Seat of Judgment, in all confidence that no sudden reversal during the past twenty years of the ways of God to man will exclude me from the reward promised to good and faithful servants.

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HITLER'S REICH

The First Phase

By Hamilton Fish Armstrong

A PEOPLE has disappeared. Almost every German whose name the world knew as a master of government or business in the Republic of the past fourteen years is gone. There are exceptions; but the waves are swiftly cutting the sand from beneath them, and day by day, one by one, these last specimens of another age, another folk, topple over into the Nazi sea. So completely has the Republic been wiped out that the Nazis find it difficult to believe that it ever existed, at any rate as more than a bad dream from which they were awakened by the sound of their own shouts of command, their own marching feet. To them it signifies nothing that this or that compatriot shouldered more than his share of the load in the long uphill struggle to establish Germany's prestige and means of existence in the black years after the military collapse, or that his German nationalism and patriotic devotion were, according to the lights of that day, beyond question. The measure of his right to any sort of present consideration is first of all whether or not he was a Nazi. If he was not, he is wiped out, usually even though he might now wish to swallow his past and accept Adolf Hitler's leadership.

Not merely is he wiped out, but the memory of him is wiped out. It is pretended that he never was. His name is not mentioned, even in scorn. If one asks about him, a vague answer is given: "Oh yes — but is he still alive? Maybe he is abroad. Or is he in a nursing home?" This does not merely apply to Jews and Communists, fled or imprisoned or detained "for their own protection" in barbed-wire concentration camps. It applies to men like Otto Braun, leader of the great Social Democratic Party, perennial Premier of Prussia, the strong man of whom Germans used to say: "When Hindenburg dies, we have him." Ill and broken, he escaped to Switzerland the day before the election. It applies to the series of Chancellors furnished by the once-powerful Center Party, traditional provider of Chancellors; Dr. Brüning alone has managed to keep a few slender lines of communication with the present, but at a sacrifice of reputation among such of his friends as are not thorough expedientists. The generals who were talked about as embryo dictators — von Seeckt, Groener, even the pow-

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erful von Schleicher — are no more heard of or seen. It is said that when General von Schleicher leaves the confines of his country place at Glienicke two of the *Sturm Abteilung* (generally referred to as the *S.A.*) attend him. Stresemann is not merely dead, but has been dead as long as the last Pharaoh. The men who ruled Germany in these fourteen years have been swept away, out of sight, out of mind, out (according to the program of Dr. Goebbels, propagandist-in-chief) of history. Hindenburg himself is a legend, a fable. His picture is on the walls of the coffee houses, for he played his rôle for the Nazis; their need for him is finished, and to all intents and purposes he is also.

The Stahlhelm, the organization of front-line veterans, credited with having saved the country from anarchy and communism in several post-war crises, but feared by the Nazis as a possible rival to their *S.A.*, has been broken and subjected. Its second in command, Colonel Düsterberg, a few short months ago candidate for President of the Reich, but with Jewish blood in his veins, was turned out in a manner which was no less humiliating because President Hindenburg wrote him a letter of condolence. The other Stahlhelm leader, Herr Seldte, followed with the announcement that he had gone over to the Nazis and had put the organization at Hitler's orders. The rank and file, disciplined ex-soldiers, who looked upon the *S.A.* as a rabble of mercenaries and looters, were left gasping. They had not been ready to shoot when they had the chance; the chance is theirs no longer.

The Reichswehr, on which General von Schleicher counted and which as recently as last December could and would have supported him in a determined move to establish authority in the name of the flickering Republic, now stands glumly aside. Its barracks are the sole government buildings to fly only the black-white-red flag of the Reich; over all the others (except the President's residence, which has a special flag) floats the Nazi swastika. But despite this last symbol of independence, the Reichswehr knows its day for action has slipped by. All that its leaders can do is wait (as the Royal Italian Army has waited without result) to see whether there will ever come a moment of chaos when they might step in to reëstablish the state they were enlisted to serve. It is a forlorn hope.

One by one continue to fall the last possible citadels of defense against uncontradicted Nazi dictatorship.

Federal Germany is gone. The *Gleichschaltung* law disposes of

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the prerogatives of the separate States, and Nazi leaders have been named *Statthalter*, with power from Berlin to dismiss State governments should they not prove fully amenable. Eminent Lutheran and Reformist theologians are hastily forming a new and unified *Reichskirche* to meet the fear of the Nazis that opposition or weakness might develop in the former 28 autonomous churches in the various States, and to simplify their drive against religious organizations which are not two parts blood and iron and only one part milk of human kindness. The Socialist trade unions, already dead as a political power and presumably resigned to the abolition of the strike as a weapon in wage bargaining, were finally seized outright on May 2, the day after the celebration of the "Festival of National Labor." Their buildings were occupied by storm troops, their officers were jailed, and their funds were appropriated to the new Nazi union which is now organizing all labor as an instrument of party will. They had hoped to be allowed to continue their social insurance and banking activities for their 3,500,000 members, preserving at least their identity after fifty years of activity in German life. The answer was the raid, and the simultaneous Nazi proclamation attacking the union leaders as "Red criminals" and announcing to German labor that "Adolf Hitler is your friend, Adolf Hitler is fighting for your freedom, Adolf Hitler will give you bread!" The smaller Catholic and other trade unions promptly "submitted themselves unconditionally and without reserve," and the agricultural organizations and coöperatives followed suit. Freemasonry has been abolished; the Grand Lodge of Prussia has abjured its origins, dissolved its ties with other Masonic lodges, and is now the exclusively Aryan "German Christian Order of Friendship."

The judiciary has been weeded over with minute care, and as a result many judges (beginning with Dr. Tigges, President of the Supreme Court of Prussia) have either resigned or been dismissed. Henceforth, says a circular of the Prussian Ministry of Justice, judges will be tested for their patriotism and social principles and will be put through periods of service in military camps to school them in "martial sports." In Nazi eyes the conception of abstract justice is outworn. The essential justice is that which serves the higher ends of the state.

Even the great Nationalist Party, co-partner with the Nazis in the March election which followed the fall of von Schleicher, and supported by all the clans of Junkers, monarchists, landed pro-

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prietors, former army officers and officials, is left hanging in the air, its toes barely touching the ground, slowly strangling in the noose of its own devising. When on the night of January 30 von Papen persuaded Hitler to join him in making the election, he thought that he had prepared the way for his own conservative forces to swallow up the Nazis. But it was the reverse which happened. Since the elections, the strength of the Nationalist Party has been sapped in every direction. Most strikingly, perhaps, has this been true in the Junker stronghold of East Prussia, where on one excuse or another (the latest Nazi method is simply to say that an unregenerate official has been recreant to his trust, but without preferring specific charges) the key men of the Nationalist Party organization have been removed from controlling places in the government and banks and agricultural organizations. Throughout the Reich, chambers of commerce and other public organizations in which Nationalist elements were strong are being "assimilated," while private associations and even important industrial organizations are experiencing the novelty of having Nazi commissars appear at board meetings, announce the expulsion of Jewish, "liberal" or otherwise undesirable members, and constitute new boards amenable to party orders.

In answer to this smashing of his strongholds, and in effect replying to frequent prophecies that he would have to resign, Dr. Hugenberg, Chairman of the Nationalist Party and Minister of Industry in the present government, began at the end of April to issue appeals, sometimes plaintive, sometimes threatening, calling on everyone to remember that he and his non-Nazi colleagues were in the cabinet by agreement with Hitler and that the Enabling Act which had put the power in Hitler's hands for four years was conditioned upon that agreement. But, in the cabinet or out, Hugenberg and his friends are condemned to becoming more and more helpless. Some non-Nazis may manage to cling to their posts for a time by adopting Nazi ways.[1] But they will be few. The smile is on the face of the bigger, more ruthless and cleverer tiger.

These new rulers of this new people have also a new vocabulary. In literature and art, in the professions and even in sport, new specifications replace taste and skill and experience. It is hard

[1] *Cf.* Vice-Chancellor von Papen's speech at Münster on May 13, glorifying the Mediæval Teutonic love of death on the battlefield. "Mothers," he said, "must exhaust themselves to give life to children. Fathers must fight on the battle-field to secure the future for their sons." And he added that Germany had struck the word pacifism from its vocabulary.

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for a foreigner to learn this language. A work of art or a performance of any sort is not good unless the creator is an Aryan, preferably Teutonic to the last drop of his blood (if such a being exists), preferably a Nazi, and in any case not a liberal or a Jew. Music, the theatre, the cinema, all have been bent to Nazi propaganda aims. The universities are being "cleansed." Eminent professors who are of Jewish descent or who are known to entertain liberal ideas, as well as their colleagues who show regret at their fate or who are suspected of believing in academic freedom, are dismissed either by the government or more often simply by orders of the student committees.[2] Meanwhile their books are removed from the university and public libraries and suffer the same fate in the bookshops which is now being meted out to the works of a long list of writers headed by Thomas Mann — namely, confiscation and burning, sometimes officially, sometimes by Nazi groups who cannot be held accountable for their actions with the police or in any court or in any department of the official government.[3] The press has also been "assimilated," unfriendly or lukewarm or liberal or pacifist or "internationalist" or Jewish proprietors, editors and correspondents have been expelled, and Nazi commissars put at the side of the writers who remain. Attention is centered almost exclusively upon news of the revolution — texts of proclamations, speeches of leaders, accounts of mass meetings and celebrations. Everything is reported in a feverish tempo, with what seems to a foreigner no sense of proportion, with scant reference to the facts of history, and with little notice of world opinion except to abuse or jeer at it.

II

How has it been possible thus to clip short all ties with the past — with the Kaiser's Germany as well as with the Republic? Because the young people who dominate the Third Reich care

[2] So far the studenthoods have not been definitely given the right to dismiss professors; but they have terrorized the university administrations by their power to turn suspicion on anyone who opposes them, and as a result of their demonstrations, boycotts and proclamations have succeeded in forcing out even the Jewish or liberal professors for whom the government had proposed making exceptions because of service at the front.

[3] Outside the Hochschule on Invalidenstrasse in Berlin, and on the doors of similar institutions throughout the Reich, is nailed the red proclamation of "Die Deutsche Studentenschaft" proclaiming the Jew as the enemy of German thought and culture; a Jew's book must not be printed in German characters, or if it is the title page must be inscribed "translated from the Hebrew." This follows the Nazi program announced in Munich in February 1920, where among other things was written: "No Jew . . . may be a member of the nation." It remains to be seen whether the policy will be made retroactive; the works of Heinrich Heine are said to be still on the shelves.

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absolutely nothing at all about history before the beginnings of the Nazi movement in Munich in 1919. They live exclusively in the present, except for a little private history which they have created for themselves, consisting (apart from embellished and purified records of Nazi growth) of the glorification of certain martyrs to the cause of German awakening — for example, Horst Wessel, a Nazi labor organizer murdered by communist rivals, and Schlageter, a young German patriot of uncertain antecedents who was executed in May 1923 after conviction by a French court-martial on charges of espionage and sabotage in the Ruhr. The rest is for them the history of the Aztecs or the Trojans. They haven't the remotest interest in the politics or program of old Imperial Germany, or in the origins of the World War, or in the military victory of the Allies, or even in the Treaty of Versailles. Those are causes; they care only about consequences. What they do know about is the 1918 "stab in the back" by the communists (or was it socialists or republicans? — the labels are practically interchangeable); the weakness and treachery of the men who came to power by "giving away" parts of the fatherland to Germany's enemies; the failure of these same republicans to throw off more rapidly the servitudes which they had tamely accepted on Germany's behalf; the sufferings and indignities undergone by the German masses while Jewish bankers trafficked in currencies and Jewish businessmen profiteered. Against the materialism of Marx they set the self-sacrifice of Schlageter. It does not count that the old German Jews were among the most thoroughly respectable, industrious and patriotic of German citizens, that they fought in the Kaiser's armies, gave lives and fortunes for their country. It does not matter that out of Germany's post-war population of some 65,000,000 only 600,000 were Jews — *less than one percent.* Marx was a Jew. He curses the whole race, and even the families into which they have married, to such an extent that super-racist circles talk of sterilizing all women in Germany who are unable to bear exclusively Teutonic offspring and of forbidding Jewish men to have intercourse with Teutonic women under pain of capital punishment.[4]

[4] Speech of Julius Streicher, leader of the Nuremberg Nazis, chief organizer of the April 1 boycott, reported in the London *Times* of April 24. Similar ideas recur in Nazi speeches, and are being translated into action in a preliminary way by the "Race Offices" now being set up with the task of separating the population into two groups which may not inter-marry. The present article does not discuss Nazi "atrocities," nor the fate of the various categories of "un-German" emigrés, now estimated to total between 30,000 and 50,000.

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The movement may hark back in some of its aspects to the Middle Ages, and in others to the régime of Wilhelm II, but plainly in its essence it is not reactionary. It is a revolt against the men, methods and aims of the past fourteen years. It is not a return to any old Germany as such. It is a twentieth century revolution, as radical in its implications and potentialities as the Russian Revolution, but in the Prussian manner.

It is very Prussian because the people have had the desire, the will, to subordinate themselves to leaders with imperious voices and gestures, to obey them even when violence was involved, and individually to merge themselves in the *totalitätstat.* They felt Germany ready once again to command in the world; and because they were conscious of being part of a superior force they did not individually mind being commanded. Marching, singing, smashing windows, delighted to be in uniform though usually too young to have known the war first-hand, others of them never having had a chance of steady employment since they left the army, immunized from any knowledge of all but the most recent past, without sense of proportion about the events of the present, protected from all disturbing opinion, foreign or domestic, the Nazi rank and file have swept along, accepting the symbols and slogans and ideology which all the instruments of modern mechanized propaganda have blared out at them, forgetting everything else in the exaltation of accepting their new lot. Democracy to them had become tedious, intolerable. Without allowing ourselves to be drawn into too theoretical an analysis of this collective movement, we none the less can perceive in it a strong undercurrent of the twentieth century, to some phases of which the Spanish philosopher Ortega y Gasset has drawn attention. These young Nazis are proud to be ignorant, proud to despise the skill and attainments of the specialist. Like young Soviet workers a few years ago in Russia, they also are proud to be free of the burdens of possessions, proud to be hungry. Particles of the mass which is to rule the world, they are compelled forward by some cosmic urge which their leaders as well as their enemies say frankly no foreigner can possibly understand, much less — alas! — explain.

The mentality of the Nazi leaders is mainly an intensification of the instincts and feelings of the Nazi masses. Among them, as among those whom they lead, are elements of idealism, of romanticism, of enthusiasm, of naïveté. We find here, too, the same

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elements seeking adventure, power, revenge and profit at the expense of competitors and rivals. One suspects as one reads the calculated statements of certain Nazi chiefs that there also must be an element of sadism, the counterpart of what in the mob is bloodthirstiness. And of course there is in all classes and groups the reaction against what the chief financial adviser of the party characterized to the writer as "wild capitalism" — speculation, the cycle of giddy profits and fearful drops, corruption, the power of money and banks. Further, what in the bands roaming the streets often is merely intolerance and bull pride of ignorance has its parallel among the intellectual leaders (who, incidentally, are not many) in an impulse to abjure reason and cool classicism, to fly from Apollo. The impulse needs no special description here, because in many countries there have been manifestations of dissatisfaction with science and with classical rules, in art as well as in social politics.

Of a remaining characteristic noted in the talk of Nazi leaders somewhat more must be said, however dangerous the ground it offers for exaggeration and error — the characteristic, namely, of twentieth century Teutonic mysticism, what might be called Wotan second-hand. The current manifestation seems to stem from Houston Stewart Chamberlain, who preached race conflict and the invincibility of the blonde Teuton hero. But the German super-man was defeated in the war. Obviously here is a contradiction. Either he is not a super-man, or there is an alibi. The alibi is furnished by the Jew, the traitor within the gates. Let him be extirpated, along with the soft liberals who helped him betray Germany, and behold! the Nibelungen hero will once again know how to cope with his enemies. If we take with Chamberlain's racial teachings the contempt for democracy which exudes from Spengler, carrying as it does the suggestion to exploit the masses as a means to power, we have two principal keys to Nazi mental processes. The second conception has enabled Nazi leaders to sweep rivals aside and to bind the masses — for already they are bound, though they do not yet know it, as securely as are the masses in Soviet Russia — to the chariot of self-appointed dictatorship, helpless any more to find the instruments or arms to free themselves, helpless even to cry out. The first conception will enable them, they hope, to build up a pure and whole Teutonism, ready to move invincibly forward on its appointed mission throughout the world.

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III

Given these origins, is there cause for surprise in the fact that the foreign policy of the Nazis was at the start a very primitive thing indeed? On the day they came to power there were few of them from top to bottom who had ever seen a foreign land, and probably there was not one whose conception of what the world is like corresponded to reality. Striding back and forth across platforms or cooped up with microphones, forever preaching in hoarse voices or planning the strategy of violent party warfare, they had had no time to turn their eyes across the frontiers long enough to see more than lowering masses of enemy troops, clouds of aeroplanes on the horizon. Wishes and words were their facts, force their measure of success. It was not to be expected that when suddenly the responsibility for directing the foreign policy of a great nation fell on their shoulders they would adopt a less impatient or less brash method than that which had just brought them success at home.

The method became apparent in the statements of German representatives at the Disarmament Conference in April and early in May, and in the statements of Chancellor Hitler and other Nazi notables, both public and private, during the same period. Thus, in a conversation with the writer on April 27, Chancellor Hitler said that the Allies would have been more honest had they denied Germany even the 100,000 soldiers allowed by the Versailles Treaty, for they were useless as protection and simply gave Germany's neighbors an excuse to call her chauvinistic; that to allot her so inadequate a number was obviously a "swindle;" that equality of armaments was a *sine qua non* of his policy; and that he doubted whether progressive disarmament of offensive weapons by Germany's neighbors, and her own progressive rearmament, *pari passu*, with forts and other means of defense, could possibly close the gap quickly enough to satisfy German needs. The plain implications in this line of argument were given substance by Foreign Minister von Neurath on May 11, when he announced Germany's intention, regardless of the results of the Disarmament Conference, to create a military and naval air force, to arm with big guns, and to increase her man-power. Vice-Chancellor von Papen's belligerent speech at Münster two days later seemed designed to strengthen the determination of the German public to be satisfied with no other course.

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But on May 11, the same day that Baron von Neurath published his interpretation of Hitler's intentions, the British Secretary of State for War, Lord Hailsham, gave expression in the House of Lords to the world's rising fear that Germany would precipitate another armaments race while the Disarmament Conference was still sitting at Geneva, and to England's determination to prevent that result. In deliberate tones he pronounced the word "sanctions." The German press had brushed aside as "French propaganda" the warning given Germany by Sir Austen Chamberlain in his speech of April 13, and the plain implications of the Rosenberg incidents during the second week in May. But this was a different matter. Moreover, Signor Mussolini, who had been not a little shocked by the universal outcry against his ally, now sent strong admonitions to him, giving notice that Italian sympathies could not be stretched to the point of engaging in a struggle against the united forces of England and France. At the same time he intimated that the Nazi persecution of the Jews had misrepresented Fascist doctrine and had been a tactical error: "You put all the Jews of the world against you," he told Hitler, "and you put against you the Christians also!" In this, Hitler's first important test in foreign affairs, he showed himself more supple than his critics expected. Seizing upon President Roosevelt's message to the world, he adroitly used it as a shield to cover his retreat. As this is being written, the world is waiting for evidence whether the speech to the Reichstag on May 17 was a manœuver or whether it represents a change of heart which will lead Germany to postpone rearming.

What do the Nazis want in addition to rearmament or equality of armaments? They want the *Anschluss* with Austria. They want the Corridor and Silesia back from Poland, and Danzig back from its truancy as a Free City. Less immediately, they want Northern Schleswig back from Denmark,[5] Memel back from Lithuania, Eupen and Malmedy back from Belgium, and the former German colonies back from the present possessors. It goes without saying that they count on receiving back the Saar after the 1935 plebiscite.[6] Alsace is usually mentioned indirectly, as

[5] In the 1920 plebiscite about 75 percent of the inhabitants of Northern Schleswig voted for union with Denmark. The campaign for re-annexation of this territory has been led in German Schleswig by the *Schleswigsche Zeitung* and by the Nazi organization in Flensburg.

[6] Nazi threats as to what will happen to the administrative and judicial officials who have been serving the Saar international governing commission have had so demoralizing an effect that the League commissioner has appealed to the Council (in an official communication made public at Geneva on May 23) to secure some sort of guarantees from the German Government.

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when the Nazi Premier of Bavaria on May 7 said that the Nazis would take an oath "never to rest or relax until the Rhine flows to the sea once more as Germany's river, not as Germany's frontier." If Nazi leaders think of the South Tyrol they say nothing about it — for the moment. As the Nazi textbooks proclaim the right and duty to use force to attain Nazi goals, and as the use of force to attain the very first of their territorial goals would entail war, and since France will necessarily be party to that war if she is not to wait passively to be dealt with singly later on, it cannot be claimed that a general European war is excluded from the Nazi program. Conscious that they are supermen, and having made sure that they will not again be stabbed in the back by pacifists and Jewish traitors, they do not doubt that when the time comes they could win such a war. It is not necessary, then, to speak definitely about Alsace or to breathe the words "South Tyrol." These will fall into Germany's lap by the logic of events and the law of gravity.

About the cancellation of the so-called war guilt clause in the Versailles Treaty the Nazis seem to care much less than did von Papen. He wanted that concession as a trophy to bring back from Lausanne, along with the end of reparations. The Nazis have so many real scalps hanging on their belt that at the moment they feel no need of trophies of sentimental value.

The annexation of Austria has figured first among territorial aims of the Nazis because until recently they thought it the goal most easily attained, as well as because of Austria's proximity to the home base in Bavaria and because of Hitler's Austrian origin. The situation in Austria has been so tense, the strife between the Christian Socialists and the Social Democrats so bitter, that the Nazis well might have considered that a sudden *putsch* would soon be feasible. And indeed in the first weeks after Hitler's victory the Nazi forces in Austria grew steadily. The Pan-German party of course went over to the Nazis *en masse*, and they were followed by many adherents of Chancellor Dollfuss and by younger Social Democrats who accused their leaders of inaction and of stupidity in having actually created the situation which allowed Dollfuss (head of a minority party) to function without parliamentary restraint. But the most important recruits to the Nazi banner came from the Heimwehr, which in Styria accepted the Nazi program entirely and in the Tyrol in large part.

To meet the Nazi menace Chancellor Dollfuss had a choice of

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two courses — to out-do the Nazis in an anti-Marxist drive, the while drawing support from Fascist Italy (which is far from anxious to see a greater Germany on the Brenner and looking down at the blue waters of the Adriatic from above Trieste); or to make some sort of armistice with the Social Democrats. The aim of the Social Democrats has been to avoid both *Anschluss* and Hapsburg restoration; to arrange a neutralized status for Austria like Switzerland's; and to bring her into some sort of Danubian confederation where she might fulfill her traditional rôle as middleman between east and west. With the benevolent neutrality of the Social Democrats, and supported from without by the League, Dollfuss would have had a fair chance of waiting successfully for Austrian public opinion — notoriously variable — to become disillusioned by Nazi performances in Germany. In choosing the first course he probably made his task more difficult. The risk, evidently, is that he may not be strong enough to keep on waging a battle on two fronts at once, and that either he will eventually find himself swallowed up by the Nazis, or, to avoid that, will follow Italy's wishes and throw himself into the arms of the legitimists who want Otto in the Hofburg. If the first of these eventualities occurs — if, that is to say, Dollfuss ends up by having played von Papen — the *Anschluss* will be consummated whenever Hitler finds it convenient. If the second occurs, Italy's will be the principal success. She will have prevented the *Anschluss;* she will have prevented the formation of a Danubian confederation; she will have nullified the strength of the Little Entente by isolating Jugoslavia and by setting up a focus of attraction (Hapsburg and Catholic) for the Croats who are discontented with the rule of Belgrade. Before Czechoslovakia and Jugoslavia accepted such a development Europe would certainly have had, if not war, then a war scare of the first order.

Meanwhile, all the radio stations of Germany continue to blare out their nightly messages across the Austrian frontier; arms and money have gone over to aid the Nazi cause, especially in the Tyrol; and care is taken that in every Nazi demonstration in Germany a prominent rôle shall be allotted to the representatives of the movement in Austria. As Herr Rosenberg said recently: "The first stage of the great German revolution will only be finished when National Socialism has become the foundation of the thought of 80,000,000 Germans." The population of the Reich is 65,000,000; of Austria 6,500,000; the balance is to be

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made up, presumably, in Danzig, parts of the present territory of Poland, and other lands not yet redeemed. Dr. Frick, Nazi Minister of the Interior, raised the ante to 100,000,000 in a speech on May 9 when he noted that "a full third of all Germans now live outside the Reich," thus adding the necessary specifications to the statement made by Hitler a week or so earlier to the effect that "the revolution will only be complete when the entire German world is inwardly and outwardly formed anew."

The German radios carry the voices of Hitler, Goebbels and the others over the eastern frontiers of Germany as well; and they have had a particular effect in the Free City of Danzig. This city, almost exclusively German in population, was given independent status in order that it might serve as a port for Poland. From the first there were disputes between Poland and the city government. The Danzigers complained about unfair Polish competition, about Polish mismanagement of the railways, about Warsaw's alleged intention gradually to Polonize and absorb them. Poland complained of the obstacles put in the way of her merchants, bankers and shipping men who wished to establish themselves in Danzig. The continual wrangling, and the memory of the difficulties which she had encountered in importing arms through Danzig in July 1920 to carry on the war against Soviet Russia, led Poland in 1924 and 1925 to undertake the construction of an exclusively Polish port at Gdynia. The energy and success with which she pushed the undertaking were remarkable — so remarkable, in fact, that today the upstart port of Gdynia divides the sea-borne trade of Poland equally on a tonnage basis with her ancient rival, and takes an even larger share of the more profitable trade in non-bulk goods. As a result, Danzig is languishing, unemployment has reached about 40,000 out of a population of about 400,000, and there can no longer be any doubt in the minds of Danzigers that in their anxiety to monopolize the transit trade and show their resentment at Poland's high-handed ways they have over-reached the mark and now face gradual dry rot and in the end ruin. Their fate, they realize too late, is to be that of Riga, Libau, Fiume and other ports left without a hinterland to gaze out across stagnant seas.

For Danzig to rejoin East Prussia as the result of some desperate *coup d'état* which did not also bring the Polish Corridor and Gdynia within the German frontiers would merely hasten the eventual disaster, for all that Danzig could expect in those

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circumstances would be to divide with Königsberg the meagre local trade of East Prussia. The Nazi program of "Back to the Reich" offered, then, not a practical solution to the dilemma, but a development which appealed to the town's aroused German sentiment and feeling of desperation. The writer was in Danzig for a few days during the campaign which preceded the May 28 elections. Nazi flags were flying everywhere, motor cars were dashing about carrying brown-shirted couriers, and, in order to keep within the letter of the law forbidding political meetings, sports assemblies or concerts were being held daily, at which, after the necessary legal preliminaries of calisthenic exhibitions or patriotic music, the radio was tuned in on Berlin. The result of this intensive propaganda was that the Nazis swept the field, securing the right to organize the Diet and set up the city administration. In Nazi hands, the leader of the Danzig Nazis[7] told the writer, Danzig will be "safe for Germany," ready to be reincorporated in the Reich when and if Hitler gives the sign. In other words, here as in Austria, Hitler aims to secure the mastery, arouse or calm the populace as suits his plans, vex or pacify his foreign enemies as other aspects of his foreign policy make it seem expedient, and bide his time until Poland can be dealt with resolutely, the Corridor wiped out, and (in his own words) "once again it is all Germany."

IV

National Socialism will last in Germany, as the Soviet and Fascist dictatorships have lasted in Russia and Italy. So much can reasonably be said, even though its domestic program is still directed mainly toward a negative object — the extirpation of its enemies — and hence has not yet been tested for constructive statesmanship. Already, however, we can discern several possible sources of future weakness.

In the first place, the party has grown so rapidly, its final access to power was so sudden, that it is not homogeneous. The historical fact that divisions which occurred in the ranks of the Italian Fascists and the Russian Communists were overcome does not necessarily mean that similar divisions within the Nazi ranks will also be overcome. Among the seventeen millions who voted the Nazi ticket on March 5 must be many who already are uneasy

[7] An energetic young Bavarian named Foster, one of the "original seven" founders of the Nazi movement, whom Hitler despatched to Danzig about two years ago to organize the party there.

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over the new régime's treatment of its enemies and its violation of the old German standards of law and justice. The burning of the Reichstag enormously impressed the voters on the eve of going to the polls. But the proofs that it was done by communists (promised then for publication within a few days) were not forthcoming, and now some are asking themselves whether the whole communist menace was not a hoax. Up to the present time, however, individual waverings have been more than made up for by the general rush to the band-wagon.

More real at present than any likelihood of divisions in the Nazi masses is the possibility of divisions in the Nazi leadership. Two tendencies can already be distinguished. The conservative wing is represented by *der Führer* himself. Thus it was he who argued in the party councils against the Jewish boycott. But though he rejected the proposals of some of his colleagues for a protracted boycott he eventually was persuaded that a one-day boycott was indispensable as a means of letting off the accumulated hatred which Nazi propaganda machines had whipped up and to avoid "undisciplined" persecutions, plundering and very possibly a general pogrom. To say as much is to admit two important facts — that on this particular occasion the party masses were out of hand and had to be satisfied, regardless of consequences; and that there was a division of will among the leaders.[8] Again, it is no secret that Dr. Schacht's influence in the régime consists in large part of the weight his views carry with Hitler personally. This may prove of importance in party councils when the difficult economic and financial decisions of the next few months come to be taken. Again, at a private meeting of party leaders held in Munich the last week in April, Hitler gave notice that the first task was internal consolidation, and that talk about winning back lost territories should be postponed until Germany's internal position had become stronger, until not mere argument but positive action could be the order of the day. But the whole psychology of the intimate circle of persons with whom he has worked in past years is contrary to moderation of this sort, even should the reasons for it be merely tactical.

Not exactly opposed to Hitler, for as yet no one dares to oppose him, but nevertheless suspected of pursuing more inflammatory and dangerous methods than his, are men like Captain Göring,

[8] It is instructive to note in this connection that apparently Hitler has never felt it wise publicly to disown or deprecate any act of violence committed by or attributed to members of his party.

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head of the Prussian state government, Dr. Goebbels, head of the new propaganda ministry, some of the Bavarian ministers whose views have already been quoted, and the chiefs of the *S.A.* troops in various centers. The torrential but carefully phrased speech which Dr. Goebbels pronounced over the radio the evening before the boycott must be read to realize the extent of the man's will and ability subtly to incite to violence. There might well be a temptation for men like these to egg on the crowd, or to float with it should its demands grow more radical, even while pretending to accept the party decisions dictated by Hitler. After all, it is less a question of direction than of speed and intensity. Or they might elevate Hitler to the Presidency (or even, it is sometimes suggested, to some inaccessible religious height) and attempt to rule in his name. Or, should the program of the more moderate (i.e. less impatient) Nazis fail to fulfil popular expectations, the extremists might carry the party for a policy of immediate adventure and in one desperate stroke sweep away the whole underpinnings of European peace. To cross Hitler's will openly today is impossible; any disillusionment of the country about him personally would destroy the whole movement. But these are only the opening months of a long struggle to get and keep a monopoly of power. The possibilities of a division of wills later on in the very heart of the Nazi party are not to be excluded from an observer's calculations.

Among the economic effects of the Nazi accession to power have been a shrinking of the market for German goods in many parts of the world; a reluctance on the part of many people to travel by German boats, ship goods by German routes, patronize German films, or visit Germany as students or tourists; a retreat by foreign enterprises which were considering opening factories or branches in Germany, due to Nazi discrimination against concerns with foreign capital; a feeling of uncertainty and mistrust among domestic capitalists who might have started new enterprises; a general tendency of people to hoard money rather than spend it in such uncertain times; and to some extent an export of capital either because of the flight of Jews and others from the country or in preparation for such flight in the event that ways might later be found to cross the frontier.

Now these are all distressing developments in a country with some 6,000,000 men out of work, and which has managed to live in recent years because it had a favorable balance of trade. The

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trade figures for the two months following the election are now available. In March imports were valued at 362,000,000 gold marks, exports at 426,000,000 gold marks. In April imports had fallen to 321,000,000 gold marks, exports to 382,000,000 gold marks. Last year the figures were as follows: March, imports 364,000,000 gold marks, exports 516,000,000 gold marks; April, imports 427,000,000 gold marks, exports 472,000,000 gold marks. It will be noted that last year imports increased from March to April, a natural development (in a country which is a large importer of raw materials) in the spring of the year. This year, however, imports fell. The explanation undoubtedly is that in order to maintain a favorable balance of trade the Reichsbank had to restrict the import of raw materials. The result inevitably will be a subsequent further fall in exports. Dr. Schacht went to America in May in the hope of securing a loan to finance German exports. He failed. Germany's economy is obviously in a precarious situation.

Meanwhile, the position of the individual worker has not improved. Unemployment, so far as can be judged, has not decreased. The official figures show a fall in the number of unemployed from 6,000,958 in February, the last month before the Nazi victory, to 5,598,855 in March, representing an improvement from 33.0 to 30.7 in the percentage of workers who are without employment. It is doubtful whether this improvement is real. Part is seasonal, part is undoubtedly due to the transfer of numbers of men from the unemployed lists to service in the *S.A.*, while part is probably due to the elimination from the lists of those receiving help of many persons suspected of entertaining "un-German" political theories. While the government was issuing figures showing a decline in unemployment, the Trade Unions reported an increase in the percentage of unemployed from 47.4 percent in February to 52.7 percent in March. On the whole, it seems likely that the unemployment situation is really worse than it was in the winter. It is hard to see how the Hitler government is going to pay off its supporters, redeem its promise to improve the situation of agriculture as against industry, and in general bring better times, except by trying socialization schemes which may prove risky in a time when political tension is so high.

Another cause for apprehension in Berlin is furnished by American moves toward inflation. Germany has been through the mill of uncontrolled inflation, and knows its bitter ending as well as

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its pleasant first stages. The Reichsbank under Dr. Schacht, like German opinion in general, certainly is strongly set against another inflation, even if the United States proposes to join England in offering her goods to the world at lower prices due to a devaluation of the dollar. But could Germany long resist if the greater part of the world took that road? And what would happen to her export trade if she did resist? Inflation is one of the things which no German government, not even a Nazi government, could feel sure of coming through unscathed. In the decisions to be taken in this connection may lurk another threat to Nazi popularity and power.

As yet only a few Nazi leaders have had time or felt it necessary to look ahead at all these hurdles. They will reach some of them rapidly in the period of "trial and error" upon which they are now entering. But for the moment the revolution is still in course and fevers are high. A whole people has been given an inoculation. To all practical purposes it has taken universally.

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Another of the new democratic states of Europe has retreated before the wave of dictatorship. Must we conclude that Western democracy as known in England, France and the United States has suffered a defeat? The truth is that it has only lost the semblance of a victory it had never won. In the lands of the Hohenzollerns, the Hapsburgs and the Romanoffs the soil was not yet ready for democracy. The old Germany, it is true, was a legal state. There was freedom of thought, a free press, confidence that one would secure justice if one kept within the law. But at the top was a stark force, militaristic and autocratic, which could command Germans to die, and which was ready to give the word when it thought its interests or prestige demanded.

The German Republic was a puny plant. Beneath the inch or so of top-soil in which its seeds were hastily placed were a dozen unyielding strata, packed down and solidified by tradition and usage. The servitudes of a punitive peace treaty, the galling preponderance of France and her allies in Europe, the economic distress following the defeat and the inflation, all these hindered its growth. The cultivators, from Ebert and Scheidemann through Stresemann and Brüning down at last to von Papen and von Schleicher, cared less and less about saving it. Nor did the well-intentioned campaign of the liberal press abroad to rectify

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the extreme appraisal which the world had formed about Germany's part in causing the war, a campaign in which they whitewashed the Imperial Government as uncritically as Lloyd George in an earlier incarnation had damned it, serve to make the task of sincere republican leaders any the more easy. But the final determining condition which caused the Republic's death was that it had no nourishment from below. As an eminent German said to the writer two or three years ago: "We made a republic; but there were no republicans."

The German people came to believe that their position was ignoble, intolerable, and could never be righted except by force. Even their best leaders (Stresemann included) were afraid of pointing out how much better their position in Europe was becoming year by year. They hardly noticed that the hated treaty was gradually being revised in a whole series of vital respects (evacuation of the Rhineland, ending of military control, entry into the League, virtual cancellation of reparations), that France, the traditional enemy, was becoming perceptibly more pacific, that she had already recognized the necessity for taking the next great step in treaty revision — the accord of equal rights — and that progressive disarmament would come next.

Von Papen and von Schleicher prepared to break sharply with the method of appeasement and revision by stages which Stresemann, a man as thoroughly German as either of them, had pursued with concrete evidences of success. Hitler, going to the people with an eloquence and abandon of which none of the others were capable, actually made the break. Looking back at the position of the German people after the war, taking account of their psychological make-up, and remembering that ten years, though it is a short time in the life of a nation seems long in the life of individuals, we now see that the break was one day almost bound to be made.

Will Hitler, having given the German spirit an opportunity to purge itself of part of its store of resentment and hate and envy, and having counted from his new vantage point of supreme power and responsibility the cost of a desperate policy of revenge, decide to try gradually to return to the methods of piecemeal revision which some of his predecessors pursued? If he does, will it be possible for France, all of whose wartime fears have been revived by the events of recent weeks, to return to a conciliatory course promptly enough for the (hypothetical) moderate ele-

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ments in the Nazi party to retain control? It will not be easy for France to assume good faith in a Germany which has been talking and acting as Nazi Germany has, to make concessions to a Hitler which she said she was not yet ready to make to a Stresemann and a Brüning. And if she refuses to be led rapidly into accepting German offers of collaboration (presuming they are forthcoming), will the German masses, "awakened" indeed, allow Hitler to delay rearming, no matter what has happened at Geneva? Then, feeling themselves stronger, will they refrain from producing *faits accomplis* in Austria and Danzig and the Saar and wherever else local conditions play into their hands?

One other question-mark cannot be ignored. National Socialism poses as a mighty bulwark against Bolshevism. But it fights with the enemy's own methods — repression, fear, propaganda, isolation from world thought and world opinion. The whole control of the state, mechanical and spiritual, is in the hands of an unchallengeable directorate. One turn of the knob, and the radio would play a German version of the Red International as unanimously as it now plays the Nazi marching songs. One order, and the *S.A.* would become a Red Army. A transformation like this would not be the result of chance. Germany is not a country of improvisations. It would happen because Hitler, or his colleagues, or his successors, planned it to happen as a way out of imminent failure, to avert the anger of a people which had been promised bread and given a stone.

It is with fears and questions such as these in mind that we watch each day's events in Germany. Three months after the Nazi revolution we cannot pretend that as yet there is any real evidence to cause our fears to diminish, or that our questions can as yet be given any conclusive answer.

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THE PROGRESS OF CONSTITUTIONAL REFORM IN INDIA

By the Marquess of Reading

THOSE all but insuperably difficult problems of India's future government and political status which have provided work for three successive sessions of the Round Table Conference during the past two and a half years have been thrust out of the prominent place in the world's attention which they occupied until the beginning of the great economic depression. But these problems have lost nothing of their intrinsic importance by being thus temporarily superseded, and some account of the genesis, the scope and certain possible lines of solution of the Indian problem may therefore be of interest to students of foreign affairs.

Future historians of India will undoubtedly give to November 1, 1929, importance as one of the turning points of Indian history. For it was on that date that Lord Irwin, then Viceroy of India, with the consent of the British Government of the day, issued an announcement to the Princes and peoples of India inviting them to the subsequent Round Table Conference. The significance of this invitation was twofold. First, it was addressed not only to British India but to what is now often referred to picturesquely as "Indian India." For the first time the leaders of these two portions of that immense territory were invited to confer between themselves and — jointly or separately, just as they chose — with representatives of Parliament and the British people regarding the political future of India. The enormous potential benefit to the country of such a political concordat between the two parts of India needs no description. But the point ought to be emphasized that the discussions preliminary to any such concordat, and the implementing of any agreements reached between the two parties, could not possibly take place except under the ægis of the British Government. Secondly, the announcement was epoch making — in the literal sense of that much abused term — because for the first time the accredited representatives

Lord Reading prepared this article prior to the publication of the British Government's recent White Paper (Cmd. 4268) containing proposals for the future government of India, and prior to the appointment of the Joint Select Committee, consisting of equal numbers of members of the House of Lords and the House of Commons, which is now studying those proposals. Lord Reading is a member of the Joint Select Committee.—*Ed. Note.*

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of Indian political opinion were being invited to discuss the whole political future of their country with the representatives of the suzerain power on absolutely equal terms. It will be admitted that this was an invitation to coöperation between Britain and India in the best and truest sense of the word. India was not slow to perceive these implications, and the invitation was received cordially by all but the extreme left wing of Indian opinion. I think we may reasonably claim for these developments that they represent a revolution in policy.

The advance in the policy of His Majesty's Government with regard to India between the announcements of Mr. Montagu in 1917 and that of Lord Irwin in 1929 is very real and very great. And I think the significance of the announcement made by Lord Irwin is even heightened when we consider that the statement of 1917 itself represented a profound and vital change from previous declarations of Indian policy by the British Government. Only eight years before Mr. Montagu made his historic utterance the very important constitutional changes in the government of India known as the Morley-Minto Reforms (from the names of the Secretary of State and the Viceroy of those days respectively) were inaugurated. Nobody can accuse John Morley of having been a reactionary in politics or an imperialist of the jingo type: yet he told Parliament that the Indian reforms with which they were dealing were not meant in any way as the first instalment of, or the first steps toward, responsible self-government — in the common phrase, "Home Rule for India." At a still earlier period, in connection with a lesser instalment of political reforms for India, a man with an even greater name than John Morley's in Liberal annals — Mr. Gladstone himself — had uttered the same warning. Lord Ripon, Sir Charles Wood (grandfather of Lord Irwin) and Lord Canning — all men with a niche in English history through their connection with liberal reforms in the government of India — were just as explicit as Gladstone and Morley in making plain the limited scope of the reforms which they were introducing.

We see, therefore, that in 1917 the British people altered their whole conception of India's political future. And in 1930 this change was carried to its ultimate conclusion by the government invitation. Out of this development a truth of surpassing importance emerges, one which throws a flood of light on the character and the future destiny of the British Empire. It is this.

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India, alien in race, traditions and history from the great self-governing Dominions, is nevertheless to enter with them into the British heritage of full and responsible political power and freedom as soon as her own conditions allow her to do so.

British and foreign students of affairs in India now accept as normal and inevitable the development in that country of a constitution which, with modifications to suit the special conditions, shall be of the English parliamentary type. Moreover, Indian political leaders themselves and the great mass of educated Indian opinion look at this matter in exactly the same way. Yet, critically considered, it is a most extraordinary development, for I need not point out how totally and completely English parliamentary government differs from any form of government devised in the past by Indian or any other Asiatic peoples, or from any form of government which we might reasonably imagine would be produced in India without the intervention of the British race.

It would take me too far from our main thesis to discuss possible alternatives to parliamentary government in India, and in any case such a discussion would be purely academic, since, as we have seen, the lines of development are now firmly set and have been wholeheartedly accepted by Indians themselves. Nevertheless, it is worth noting that from very early days of our rule in India experienced British administrators have argued against the advisability of copying English precedent and have suggested rival and, in their opinion, preferable lines of development. For the most part, their suggestions have centered in proposals to extend the Indian state system to cover the whole of India. Under such a system India would be completely divided into a number of states, each governed by an Indian Prince, autonomous in respect of the internal affairs of his state but guided by a British resident representing the paramount British power, which would guarantee both the internal and the external safety and tranquillity of the whole country. Indeed, such proposals are still not without their champions, for it is only about two years ago that a retired governor of an Indian Province with wide administrative experience suggested a scheme which, whilst recognizing the impossibility of now dividing India up into Princes' states, maintained that the best and most natural arrangement would be a development of the personal government which now prevails in Indian States and which was of course the rule in the Imperial Mohammedan Dynasty to which we succeeded.

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Why did we never accept any of these proposals? How has it come about that the course of political development in India has been so profoundly different, and, at first sight, so unsuited to Indian conditions? The answer is simple, yet it takes us right to the heart of the past and, be it noted, the *future* political development of the varied communities comprising the world-wide commonwealth which for the sake of simplicity we may continue to call the British Empire. For we British are unique in this respect, that of all imperial or colonizing Powers, past or present, we alone have had the experience of seeing former dependent communities grow to full national stature. Further, we have had that experience whilst witnessing, with only one exception, the retention of those same communities inside our Empire. In the case of the one exception, our old North American colonies, we bought our experience very dearly; but we did at any rate profit by the lesson we then learnt. With only temporary and comparatively unimportant aberrations, our policy towards all our old colonies of British, or at any rate of European settlement, has been to allow and even to assist them to proceed smoothly and naturally to the exercise of the utmost degree possible of political autonomy. The belief that such a policy is right and just has become an article of faith with the British people.

Similarly with India, the first of the non-British members of the Empire to set out on the long and fateful course of political change, we could simply not do otherwise than apply to her the same ideas and principles. We knew of no other way of dealing with a developing community except that which we had learnt in the school of practice, and our own peculiar political growth, broadening from precedent to precedent, has made *ad hoc* constitutional invention not only abhorrent to us, but literally impossible. This, without any unnecessary embellishments, is the reason why we entered in India on that particular course of policy which has brought India to the threshold of parliamentary government within the Empire.

India's political development begins for our purpose immediately after the Indian Mutiny, when the government passed from the old East India Company to the Crown. Up to then we had been consolidating our rule, and a strong, impartial, protective, central government was the prime desideratum. But by the time the government of India passed to the Crown, the stage of consolidation had been completed and the period of development —

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political, moral and material — had begun. Within two years of the passing of the East India Company, Parliament began to discuss the bill which afterwards became the Indian Councils Act of 1861. The essence of this bill was to provide for the representation of Indian opinion in the Supreme Legislative Council of the country. The details of this and of succeeding acts of reform in India can be read in an excellent book entitled "Modern India," recently published under the editorship of Sir John Cumming,[1] and need not complicate our argument here. Suffice it to say that by this Act of 1861, the subsequent Indian Councils Act of 1892, and the Morley-Minto Reform of 1908 the democratic principles of representation and popular election were introduced into the Indian constitution. Legislative Councils with increasing numbers and powers were set up, not only at the center, but in all the provinces. In a word, during these years India was provided not only with a good deal of the machinery of modern democratic government, but with a number of excellent schools for the instruction of her people in the actual handling of political machinery and influence and, to a certain extent, even of political power. What is worth noticing in this process is that the above democratic principles were allowed to work and gather momentum and express themselves in political instruments steadily changed and modified to suit the developing circumstances of the country and people. Never once did the British Government attempt to divert or to delay this process.

Looking back over this course of events from the vantage ground of our present knowledge, we can see that the World War merely precipitated Mr. Montagu's momentous declaration. Sooner or later such a pronouncement of policy had to be made, and men like Hume, Wedderburn, Cotton and Meredith Townsend both saw and proclaimed this fact. The statements of Gladstone and the others to which I referred above were not meant as declarations that India was never to have Home Rule, but only that the conditions which alone could justify Home Rule were not in sight at the time when they were speaking.

Side by side with the purely constitutional development which I have been describing, profoundly important changes were taking place in the moral and material bases of Indian life. During the years between 1860 and 1914 all India had been firmly welded into one economic unit and had been brought into the main

[1] Oxford University Press, 1931.

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stream of the world's life by the modern systems of transport and communication, both internal and external, which had been developed by the British. Education, moreover, particularly education in the English language, had provided on the spiritual side conditions of Indian unity and of communion with the outside world which were analogous to the conditions provided on the material side by the growth of communications. For the first time in the long history of the Indian sub-continent, the men of different races and languages from all its parts could meet each other and talk to each other in a common language. It is not surprising, therefore, that from the middle of the eighties of the last century we begin to trace definitely the emergence of an Indian nationalist movement. The foundation of the All-Indian National Congress in 1885 may be taken as the beginning of this movement, although as we shall see in a moment the mistake must not be made of identifying Congress, as we call it for short, with the whole of Indian political opinion. Very large and important sections of organized Indian opinion, even of Hindu opinion, have always remained outside Congress, indeed some of them have been actively and consistently hostile to it. From 1885 onwards, we trace the rise of organized Mohammedan opinion in the All-India Moslem League; of that truly democratic party, the Non-Brahmin or Justice Party of Southern India, which has now got powerful offshoots in the west and center; of the All-India Liberal Federation, which represents the right center of Indian opinion; of the All-Indian Mahasabha, whose prime function is the defence of Hindu communal interests; and — a strange and striking portent this — the appearance of the Depressed Classes as a quasi-organized political body in their annual conference.

In other words, from the middle of the eighties onwards, we begin to get the other necessary half of the process begun when the British started developing India along the lines dictated by their experience with their American colonies and their self-governing Dominions and by their own innate ideas and rules of conduct. That other half is the conscious determination of the people of India to be no longer passive recipients of "gifts" of political reform, but to work for changes; and above all to bring into being those conditions of social and political homogeneity which alone can prove safe and permanent foundations for Indian nationality. That is a way of saying that there is a limit to what the British can do in this matter of helping India

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to achieve Home Rule. It appears, moreover, that the limit has now been reached, or almost reached. For years to come the British will have to perform the vitally necessary function of ensuring internal cohesion and external safety for the peoples of India. But they cannot alter the minds of Indian Princes, of Hindus, Mohammedans, Sikhs, Depressed Classes and so on until all these become in fact members of one body politic, with sufficient solidarity of sentiment to enable them in the last resort to sink all considerations of communal, sectional, religious and social interests in the common welfare. All this can be done only by the people of India themselves, working together year in and year out for common aims and with harmonious ideals.

It is from this point of view that we must examine the Government of India Act of 1919, which embodies the Montagu-Chelmsford Reforms and which is the present constitution of India. The essential purpose of that Act was to make Mr. Montagu's declaration of August 1917 effective by giving to Indian legislative bodies certain autonomous powers, and thus enabling the Indian people to begin their real political education by actually handling and controlling certain parts of the machinery of administration. The circumstances of 1919 did not permit the extension of responsible powers to the Central Legislature, for in that year an attempted invasion of northwest India from Afghanistan, and serious internal disturbances, notably in the Punjab and Bombay, taken with such weighty considerations as the fundamental cleavages between the majority and minority communities, were notes of warning against taking too far a leap into the dark. It was therefore decided that actual responsibility in government should be confined to the provinces. In the provinces, by that singular device known as diarchy, some of the most important branches of administration (including all the so-called "nation building" departments, that is, education, local self-government, medicine, the development of industries, and various others) were handed over to the control of ministers chosen from among the elected members of the provincial legislature and responsible for their actions to that legislature. The central legislature was made bicameral; and the lower house (145 members, of whom only 26 were official and 14 were nominated members) was vested with wide powers of vote, interpellation and influence. A study of the 1919 Act shows that it is a typically British constitutional document, in that what is implied is almost as important as what is

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expressed. To those familiar with the corresponding Acts of Parliament conferring constitutions on our old colonies, now the Dominions (in which Acts, it should be noted, the expression "responsible self-government" is never mentioned), it will be at once apparent that if the Government of India Act of 1919 had been enthusiastically worked and used by Indian political leaders it could have proved an expanding framework, widened and extended continually by the growth of conventions rising naturally out of the developing political conditions. Under it, thus used, growing political education could have provided a full outlet for all legitimate aspirations, and India could have been carried a very long step further towards the full consummation of her constitutional aims.

Of late years a fierce onslaught has been made on the 1919 Act by important sections of Indian political opinion. This attack is not just. To begin with, even a cursory study of the history of India since 1921, when the Act was inaugurated, will show how immensely effective it has proved in educating the Indian people in methods of modern political action and how it has quickened and strengthened their interests in politics and in constitutional matters generally. This certainly is an important item on the credit side of the account. It is true that the invaluable possibilities of the Act which I outlined above have not been realized. This, however, is due partly to certain fundamental conditions in Indian life, and partly to the intransigence of the extreme left wing of organized Indian politics, namely, the Congress Party. Members of the Congress Party boycotted the first election held under the 1919 constitution, and then entered the legislatures of the second election with the avowed intention of wrecking them from within. The Congress Party is, of course, the strongest and best organized political party in India, in spite of the fact that it has always been almost entirely Hindu, and that, except in times of extraordinary political excitement, its main strength has been in other parts of India than the virile north. The implacable hostility of the Congress Party (which actually managed to prevent for a time the working of the constitution in Bengal and the Central Provinces) has been a heavy drag on the functioning of the 1919 Act and has prevented it from conferring on India the sum of the benefits which were hoped from it. As a writer on Indian affairs once put it, the action of the Congress Party inflicted on the great experiment of the 1919 Act a handicap as serious as

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would be imposed on a motor car if it had to be entered for a hill-climbing test with one of its cylinders out of action.

But of far greater potence than Congress hostility were those fundamental conditions of which I have spoken — the ignorance and political apathy of the mass of the electorates, and above all the deep and fundamental antagonisms between the great communities of the country. The true character of these antagonisms is even now not well understood except by those who have extensive first-hand knowledge of India, and therefore I might say a few words in explanation of them. Outwardly, they express themselves in religious forms; and of course there is no doubt that in the profoundly deep religious differences between Hindus and Mohammedans, and between the latter and the Sikhs, for example, there will always be causes of potential trouble. But the antagonisms which we are discussing now find their most serious and dangerous power in their political aspect, and even to some extent in their racial aspect. Consider the position. For generations and centuries these great communities have remained sharply separated from each other in many of the most vital things of life, with differing ideals, loyalties and, in many cases, even material interests. There are age-old traditions of war between them. Nor must it be forgotten that it was from a Mohammedan dynasty that we took over the overlordship of India, and from Sikh rulers that we took the Punjab just over eighty years ago. Both Mohammedans and Sikhs, therefore, have memories of rule in India, and now that the question of Indian Home Rule has come within the scope of serious discussion these old memories naturally revive. By a natural psychological process both Sikhs and Mohammedans believe not only that they are entitled to claim certain privileges, but that unless they safeguard their position thoroughly against the majority community they will find themselves, when Home Rule comes, in the position of subject races where once they were the rulers. Thus the history of the twelve years of the Montagu-Chelmsford Reforms is a story of the rising surge of inter-communal rivalry, penetrating all aspects of Indian public life, expressing itself repeatedly in armed clashes and bloodshed, and causing friction and disunity where there should have been coöperation and harmony if the Act of 1919 were to have any chance of achieving those wide objectives which we have been considering.

The 1919 Act laid down that after a ten-year period there was

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to be an inquiry into the working of the Constitution. And when the period was drawing to its end the British Government did not hesitate to send out the Simon Commission for this purpose. The story of the Commission's work and its outcome in the Round Table Conference is too familiar to need repetition here. Also, the outlines of the proceedings of the Conference are familiar to readers of FOREIGN AFFAIRS.[2] Here I will deal with the Conference and certain connected events only as they affect the great theme which is the subject of this article.

If we could express the results of the Conference in a graph it would look like one of the familiar graphs of a normal trade cycle. The first session would be shown as a steeply mounting line from depression to hope; then a sharp drop during the second session; and finally a well-marked rise for the third session. The declaration of the Princes at the first session in favor of an All-India Conference started the upward move. For a federal government in which they would be an important part would be a government of an immensely strengthened India, and one to which all British political parties decided that they could make concessions which they could not make to British India alone. The decision of these two great parties evoked response from all the Indian delegates who found themselves able to view the British demand for temporary safeguards with a certain understanding and even sympathy. When the Conference closed, the Prime Minister was able to assure the delegates that the view of His Majesty's Government was that responsibility for the government of India could be devolved on Indian legislatures, federal and provincial, with certain limitations designed to insure the fulfilment of certain fundamental obligations and also the protection of various community rights.

As is well known, the second session of the Conference, which ended in December 1931, was rendered unfruitful by the irreconcilable differences which developed between the majority and the minority communities, and by the desire of the Princes to study very carefully and closely all the implications of their entry into an All-India Federation. Mr. Gandhi was present at the Conference, but the trend of events, owing to these differences, made it impossible for the discussion of the subjects in which he was par-

[2] *Cf.* "Self-Government for India," by the Marquess of Zetland, FOREIGN AFFAIRS, October 1930. "India Between the Conferences," by L. F. Rushbrook Williams, July 1931. "After the Indian Conference," by the Marquess of Zetland, April 1932.

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ticularly interested to come to a head. Therefore, when he got back to India, his actions and those of his chief lieutenants in the Congress Party showed that he was determined to depart from the course of constitutional action on which he had recently entered and embark once more on the kind of agitation which had brought such disasters and sufferings on India in the past. With the events of 1930 — when Mr. Gandhi's civil disobedience movement had plunged parts of India into anarchy — fresh in his mind, and with the fortunes of the whole policy which is summed up in the Round Table Conference at stake, Lord Willingdon had no alternative but to order Mr. Gandhi's arrest and subsequently to guarantee, by the issue of ordinances, those conditions of internal peace and stability in which alone the policy of His Majesty's Government and the Government of India could be worked out.

This policy, it should be noted, was supported by the great majority of Indian political opinion, as is shown by the proceedings of the third session of the Round Table Conference which ended on Christmas Day. To the third session came representatives of all the schools of Indian political thought except the Congress. With reduced numbers as compared with the previous sessions, the proceedings were more businesslike, and the measure of agreement reached on the vitally important question of safeguards and certain aspects of the relations between the Indian States and British India in the new federation put His Majesty's Government in a position to draft a bill which will be submitted to a Joint Select Committee of both Houses of Parliament. Of course, many important questions are still outstanding, notably some of those concerned with inter-communal claims and relations, and there is no doubt that many of the difficulties will require further time for solution. It is still impossible to say when the Princes will be able to enter the Federation, and until they do so the full measure of concession for which the British Government is prepared cannot be given. Nevertheless, reason and good will on both sides have triumphed so far hitherto that we may hope for the same results from their exercise in the future.

One example of the extraordinarily difficult character of the tasks set to His Majesty's Government by the problems of Indian political development may be given in conclusion. It will also show something of the amazing complexity of politics in India. Last year, owing to the failure of the communities to agree among themselves, the Prime Minister announced the lines on which His

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Majesty's Government proposed to settle the vexed question of the proportion of seats to be allotted to each community in the provincial legislatures. Mr. Gandhi objected that by this award the Depressed Classes (which, he claimed, should be included in the Hindu fold) were given the status of a separate community apart from Hinduism. Realizing that the British Government's award was meant only to safeguard the helpless Depressed Classes who had begged for protection against possible injustice from the powerful caste Hindus, Mr. Gandhi could not quarrel with the proposed protective measures contained in the award, and his fast was therefore primarily devoted to forcing the hands of the caste Hindus so as to compel them to make certain concessions which would enable the leaders of the Depressed Classes virtually to forego the right of separate electorates which they had received, and thus, for political purposes at any rate, to be counted as Hindus. It is well known how his fast led to the multiplication almost threefold of the seats allotted to the Depressed Classes, and in return the latter will themselves choose a panel of names from amongst the Depressed Classes which will be submitted for election to the legislatures through joint constituencies of caste Hindus and Untouchables. But it is doubtful if this arrangement will stand, for it may bear hardly on the Hindus. For example, it means that in the two great provinces of Bengal and the Punjab there will be serious misgiving in the minds of the caste Hindus regarding the number of seats to be allotted to them; and there are lesser but still great anomalies in other provinces. Already Hindu opinion is mobilizing against the agreement, and there are signs of a split between the vast masses of orthodox Hindus and those Hindu political leaders who have been responsible not only for the agreement with the Depressed Classes leaders, but also for certain social and religious legislation of recent years which orthodox opinion regards as assaults on religion itself.

Thus there are signs that even Hinduism itself is now in danger of political schism, and the political outlook in India becomes correspondingly more complicated. At any rate, the British Government have played, and are playing, their proper part. It is now for India to make the contribution which I have indicated above, the contribution which only she can make.

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TARIFF BARGAINING

By Benjamin B. Wallace

THE President has pronounced in favor of reducing the tariff by negotiating with foreign countries. The United States appears about to dive headlong into the maelstrom of European bargaining tariffs. What are the implications of this change of policy? What are the probabilities and possibilities? Does it mean an era of lower tariffs? Does it mean an era of tariff discriminations and tariff wars? Does it mean the end of the most-favored-nation clause and of equality of treatment? Can there be effective bargaining under our existing treaties? Is the United States to lose its sovereign control over its own tariff? What are the domestic political implications? How far does it indicate a change in the center of gravity of our government? How does it affect our relations with our neighbors in this hemisphere?

Of many such questions which spring to mind, at least one can be easily and definitely answered, namely, that concerning the compatibility of a tariff-bargaining policy with our existing unconditional most-favored-nation treaties. But the true answer may not come first into the minds even of those familiar with tariffs and treaties, and the failure to grasp the possibilities has extended beyond popular opinion into our usually best informed circles.

Last summer a prominent political leader attacked our unconditional most-favored-nation treaties as making reciprocity treaties impossible, in these words:

> We are powerless now with reference to the nations with which we have made these treaties to accomplish reciprocal trade agreements with any of them without giving to other competing nations trade advantages. *This simply makes reciprocal trade agreements impossible. No nation can be induced to enter into any reciprocal agreements*, knowing that competing nations with it for the United States trade will get exactly the same favors. . . . A public sentiment must be created against this brazen attempt to nail down the lid on the tariff trap in which we have voluntarily permitted ourselves to be caught. (My italics.)

The tariff is a technical and forbidding subject and the ignorance of the layman is quite excusable. With the American background of exclusive reciprocity treaties, it is easy to assume that

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no nation will bargain for favors which it must share with other countries; but the history of the countries which have long practised tariff bargaining shows that unconditional treaties and the sharing of favors are the usual custom.

For the last half century, the countries of continental Europe have almost regularly followed each general tariff revision by a series of bargaining treaties, although all were bound by numerous unconditional most-favored-nation treaties. There have been variations in policy, and a detailed discussion would distinguish the system of maximum and minimum tariffs from the system of general and conventional tariffs. But both systems and all their variants proceeded, and still proceed, upon the device of raising tariff rates by statute (or less often by decree) and then reducing them by treaty. Occasionally a reduction by treaty has taken off the whole statutory increase of a tariff rate, and possibly a case might be discovered where it had taken off a little more. Commonly, however, the net result of the statutory plus the treaty revision is distinctly higher tariff rates. In general, the European system of tariff bargaining, ever since the protectionist movement resumed its sway in the late 1870's, has been a device connected with the raising of tariffs and it has attained no net reduction of tariff rates.

But this is not the place to describe the way the European governments play poker with their tariffs. The present point is that for the last two generations European countries have been bound by an almost complete network of unconditional most-favored-nation treaties. Except for certain longer or shorter tariff wars and a very few other failures to grant equality of treatment (for example, the lack of a tariff accord between France and Portugal from 1892 to 1911) every European power which reduced rates by treaty regularly extended each such reduction to the whole number of countries with which it had most-favored-nation treaties, and in some cases to all countries regardless of the absence of a commercial treaty with this one or that one. And every country which obtained concessions knew that these concessions would be given to its competitors also. In Europe it is assumed as a matter of course in tariff negotiations that the concessions on both sides will be generalized, that is, extended to many, if not to all, other countries. Ordinarily, a government which believes that it cannot afford to reduce a certain tariff rate in respect of imports from all or most foreign countries does not

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agree to reduce it in favor of any single country. We are not now discussing details and exceptions, but merely describing the outstanding features of the customary method of tariff bargaining in Europe.

Americans have had difficulty in grasping the European system of tariff bargaining, and the fact that it is compatible with unconditional most-favored-nation treatment, because they have had in mind only the American experiences with exclusive reciprocity treaties made under conditional most-favored-nation treaties. They are unaware that even the negotiators of the American conditional most-favored-nation treaties contemplated that concessions made to one country might normally be extended to others. The language of a typical treaty reads:

> The contracting parties, desiring to live in peace and harmony with all the other nations of the earth, by means of a policy frank and equally friendly with all, *engage mutually not to grant any particular favor* to other nations, in respect to commerce and navigation, *which shall not immediately become common to the other party, who shall enjoy the same freely*, if the concession was freely made, *or on allowing the same compensation* if the concession was conditional. (My italics.)

Only one part of the arrangement made with Canada in 1911 went into effect, namely, the reduction by the United States of the duties on wood pulp and paper. These reductions were held by the Court of Customs Appeals to have been conceded freely (since the Canadians did not ratify the agreement) and therefore to be freely enjoyed by countries with which the United States had conditional most-favored-nation treaties. But this fact is not generally known. What most Americans know is that our one surviving reciprocity treaty, that with Cuba, grants exclusive concessions. Some know also that the concessions to Canada in 1855–66 and those to Hawaii in 1875–1900 were exclusive. The concessions to Cuba are not merely exclusive in result, but they are by the terms of Article VIII of the treaty "preferential in respect to all like imports from other countries." When this treaty with Cuba was signed, all the treaties of the United States were of the conditional type, under which a concession granted to one country for compensation remained exclusive unless some other country or countries purchased the same favor by equivalent concessions. In contrast, under the treaties made by the United States since 1923, save that the special treatment of Cuban products is expressly excepted from the most-favored-na-

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tion obligations of these treaties, the concessions made to Cuba would have to be extended to the other parties to the treaties "immediately and unconditionally."

The United States is now under obligation to extend to Germany, Austria, Hungary, Norway, Czechoslovakia, and various other countries immediately and unconditionally, and without further and special compensation, any commercial concessions made to any country. Without discussing our other treaty obligations, we may anticipate that in practice every concession will be generalized (widely if not universally) instead of being confined to the single country with which it started. This obligation to extend more or less widely every concession granted to any one country has been sufficiently understood, but the effects of the obligation are widely misconceived. Two assumptions have been made, either that the obligation to generalize concessions by unconditional most-favored-nation treaties makes all concessions impossible or impracticable, or, as in the passage quoted above, that no country will be willing to purchase concessions which are to be extended to others. The conclusion has been reached that the American Government has so tied its own hands that it cannot bargain in regard to tariffs — a conclusion possible only because of ignorance of the European method of handling the problem and failure to consider the effectiveness of limited tariff bargains.

The reconciliation of tariff bargaining with unconditional most-favored-nation pledges is accomplished by one very simple formula — namely, that *ordinarily no concession is made to any country except in respect of articles imported chiefly from that country*. By this formula the substance of the concessions is reserved for the two countries which make the bargain, even though all the concessions are scrupulously extended to third countries. These other countries may pick up some fragments of trade, but their gain from the reduced tariff rates consists mainly in the spiritual satisfaction of receiving equality of treatment, since they are unimportant exporters of the products forming the subject of the bargain.

In spite of technical progress which tends to enable any country to produce any sort of product, an examination of international trade item by item shows that national specialization is still dominant. In the greater number of items, one country predominates in export trade, or if there are several important ex-

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porting countries (e.g., Cuba and Java for sugar), they send their products to different markets. A tabulation of United States dutiable imports in 1931 from 29 selected countries, supplying 96 percent of total dutiable imports, shows that *on the average 71 percent of each dutiable import came from some one country*, and only 29 percent from all other countries. Examination of the leading imports from Canada indicates that, if any product comes in greater value from Canada than from any other one country, on the average Canada supplies 80 percent of that product. Thus in recent years Canada has supplied the whole of United States imports of maple sugar and maple syrup, fresh water fish, pulpboard in rolls, turnips, and acetic acid; 96 to 100 percent of imports of salmon, 92 to 97 percent of halibut, and 92 to 97 percent of filleted fish; 88 to 94 percent of imports of potatoes, 88 to 99 percent of hay, and 80 to 92 percent of boards; and 77 to 87 percent of motion picture films not exposed.

The writer is not here suggesting that the United States should bargain in respect to these articles — or any others. He is not here advocating a bargaining tariff policy nor expressing any opinion on the economic or political advantages of tariff bargaining. He is merely pointing out that if the negotiators have a reasonably free field in selecting articles for bargaining, the existence of unconditional most-favored-nation treaties does not render a bargaining policy impracticable.

On the one extreme, the government might determine to bargain only in respect of products each wholly derived from a single country. This would indeed severely limit the program, but a few bargains might be made, and if made, the extension of the reduced rates to other countries under most-favored-nation treaties (or otherwise) would be purely nominal.

On the other extreme, the government might bargain on every dutiable article, in each case bargaining with the country most important as a source of imports. In this case the bargains would cover the whole range of the dutiable list. As measured by the trade affected, not less than 70 percent of the dutiable importations would be directly affected by the bargaining with the chief source of each article and the remainder would be affected by the extension of the same reductions to other countries (assuming, to make the extreme case, that *all* other countries would benefit by the reductions accorded to most-favored-nations).

This idea that some fraction of the total concession must be

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given gratuitously to third countries may strike the reader as an impossible generosity. That point will be discussed after three facts have been pointed out which indicate that the amount conceded "gratuitously" is likely to fall far short of 30 percent of the total.

First, in certain cases, the same concession may be sold twice. Our dutiable imports of cattle come from Mexico and Canada, recently two-thirds from Mexico. If a bargain were made with Mexico reducing the duty on cattle, the reduced rate would hardly be extended to Canada which has no treaty with the United States and which practises wide discriminations against American products. Canada would have to pay for the concession. Thus instead of bargaining in regard to two-thirds of our imports of cattle and conceding one-third gratuitously, the whole 100 percent would be bargaining material.

Second, there are some products included in the above average figure whose sources are so scattered that bargaining concerning them seems improbable. These are characteristically by-products, so that their output cannot easily be increased. For instance, in 1931, imports of sausage casings of sheep, lamb and goat were imported from a score of countries of which the most important one supplied only 14 percent of the total. Of goat and kid skins, in the last four years, the chief supplier has contributed only from 23 to 29 percent. Other products illustrating the same point are horsehair, cotton waste and beeswax. Ivory tusks are imported in not unequal quantities from Great Britain and from Germany, but it seems unlikely that the duty will be reduced either in bargaining with one of these powers or in bargaining with an African country in which some of the tusks may originate.

Third and most important, the preliminary average of some 70 percent of paid concessions is derived from the figures for *general imports* which are published by countries of origin, whereas the bargaining will presumably take place on the basis of the more detailed figures for *imports for consumption*. These latter figures are not published by countries of origin, but their origins are available. The headings under which general imports are classified may make it appear that imports of a certain kind are supplied more or less equally by several countries; whereas use of the detailed classifications of the imports for consumption, or further subclassifications which might be introduced by the

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reciprocity agreements, might confine each concession to a product, or a grade of a product, which is derived almost solely from a single country. For example, general imports divide electric lamps into "carbon filament" and "other," but imports for consumption show "miniature" and "neon and mercury" lamps. The point is of special importance in regard to the catchall or basket items such as "other electrical machinery and apparatus" which follows electric lamps in the table of general imports. In the table of imports for consumption this general heading is divided into twenty-one articles and groups of articles. "Earthy and mineral substances, not elsewhere specified" are grouped together in "general imports," and the figures show Canada as supplying only 21 to 38 percent of the totals in 1930 to 1932. But when the classification is divided into its components it is found to be made up of deadburned dolomite imported entirely from Canada, of cornwall stone imported from England, of "granito" imported from Italy, of glass sand imported from Belgium, and so on — each separate subitem is imported almost exclusively from some one country.

No detailed examination has been made of the extent to which application of these three factors may enable the American Government to pursue a policy of reciprocity so selective that the benefits accruing from the favors granted will be substantially restricted to the countries to which the favors are respectively directly granted. But it seems probable that an American policy of tariff agreements would call for the gratuitous extension to third countries of less than 20 percent and perhaps not much more than 10 percent of the concessions made.

But are such extensions really gratuitous? In the first place, they are usually sufficiently known in advance. If the leading supplier of an article furnishes only 60 percent of it and the other 40 percent comes from countries to which the concession will be extended "gratuitously," the negotiators naturally weigh the concessions which they get from the other country against the whole of the concession which they make, and not against 60 percent of it. And it is their business to know whether the reduction of a duty will allow the entry of some variety or grade of an article which is now excluded and does not appear in the statistics.

In the second place, looking at a country's trade and treaty relations as a whole, surely it is true that the tariff reductions which are extended under most-favored-nation treaties are ex-

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tended "gratuitously" only in the short view, not in the long view. For example, Germany, having pledged unconditional most-favored-nation treatment to the United States in 1925, made a treaty with Spain in 1926. By this treaty (as in ten other German treaties since 1925) reductions in tariff rates were exchanged. Those made by Germany were "immediately and unconditionally, without request and without compensation" extended to products of the United States. The concessions were on articles of primary interest to Spain (and to the ten other countries respectively) and of only minor advantage to the United States; but they were given to the United States under the German-American treaty. Under the same treaty, if the United States should now exchange tariff reductions with Spain (or any other country except Cuba), any concessions it might make must be extended "gratuitously" to Germany. But why should the United States call such concessions to Germany "gratuitous," when in anticipation of them Germany in 1925 pledged non-discrimination and eleven times since 1925 Germany has compensated the United States in advance by extending to American products concessions made to other countries?

It is true that there may be no close equivalence in the incidental advantages accruing through the most-favored-nation clause to the two parties to an agreement. Germany may make many treaties containing many concessions, and all these concessions may be extended to the United States. The United States may meanwhile be making few or no tariff-bargaining treaties and Germany may be gaining little or no incidental advantages from its treaty with the United States. If the United States suddenly embarks on a great program of tariff treaties, it may appear to be giving to "third" countries incidental advantages of substantial value with no immediate return. But in the long run, if many countries are pursuing bargaining policies, it may be assumed that the incidental advantages which any country receives through the bargains of other countries with each other will approximately balance the incidental advantages which it extends to other countries in generalizing the concessions which it has made in negotiating its tariff treaties. Under a general system of tariff bargaining under unconditional most-favored-nation treaties, there appear to be no really gratuitous concessions — though at the moment of extension, according to the lan-

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guage of the treaty, the grant of the lower rate may be "without compensation."

If the United States embarks on a tariff-bargaining policy, it is the task of the negotiators to see to it that the direct gain from each bargain will be a satisfactory return for what is being conceded. The negotiators must consider also the concessions incidentally granted to third countries, but as these concessions are not given at the same time as the incidental advantages are derived from our most-favored-nation treaties, the incidental concessions may or may not be equivalent to the incidental gains through unconditional most-favored-nation treaties. If in the long run they be found not to be equivalent, the discrepancy cannot be very serious, since the incidental concessions will in no case cover any great percentage of the trade, unless our negotiators are very inept.

One of the reasons why the most-favored-nation clause has been under fire in Europe is that manufacturers have tabulated the reductions of duty incidentally extended to third countries, but exporting interests have not been equally diligent in calling attention to the reductions in foreign tariffs to which their exports have become incidentally entitled in the same manner.[1] But whether or not the indirect effects of most-favored-nation treaties are equal, and whether or not they are thought to be equal by the people, it is difficult to believe that the unconditional most-favored-nation clause will be discarded. After the World War, France experimented with the idea of abandoning the most-favored-nation clause. André Siegfried has reviewed the result.[2] By 1927 France was again driven back to the granting of most-favored-nation treatment, either *de jure* or *de facto*. The reason is not far to seek. When a country, by exclusive tariff bargains, institutes discriminations against third countries, then the greater these discriminations the greater will be the pressure against that country for their removal. In each successive negotiation it finds that the firmest demand of the other country is for equality of treatment, present and future, guarded by a most-favored-nation clause or its equivalent. Says André Siegfried, "by force of necessity, which the negotiators practically could not escape, it was necessary to accord the total of the minimum tariff,

[1] Paul Naudin, "Reflexions critiques sur la clause de la nation la plus favorisée," *Revue Politique et Parlementaire*, December 10, 1932.

[2] Reprinted in "A Picture of World Economic Conditions at the Beginning of 1929," published by the National Industrial Conference Board, New York.

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which is in fact equivalent to the grant of the most-favored-nation clause." The other country attaches perhaps an exaggerated importance to the avoidance of discriminatory duties upon its products. On the other hand, the country which has already made the initial concession in a certain rate of duty finds itself on weak if not untenable ground in attempting to justify the refusal of the same rate to a second or a third country, particularly as each negotiation begins with cordial professions of amity, good will and desire on the part of each side to favor the trade of the other. The demand that equality of treatment be granted is particularly hard to resist if the country, as in the case of France, is bargaining from the top of a double tariff — *i.e.*, from tariff rates which have been admittedly imposed with no intent that they should ever be applied generally but merely to put the country in a good bargaining position.

It may be objected that in the European bargaining system it is not always true that a concession in respect of a given article is made in the first instance only to the country which is the leading supplier thereof and that the extensions of the concession are only minor and incidental. For example, Finland or some other country may have reduced a tariff rate in favor of French automobiles, though France supplied only a minor share of her imports, and may have extended the concession to American automobiles which formed the bulk of her imports. A fair number of such reductions on automobiles, grain, and other important American exports can be cited, but examination will show that they result from the play of the European poker game, and not from straightforward tariff bargaining. Such concessions have been extended to the United States because the United States was pursuing a non-bargaining policy and because the concessions given were only reductions of rates which had been raised for the purpose of bargaining. There never had been any intention or desire to maintain the higher rate, and when it had served its purpose of obtaining a concession from the other bargaining country, at which it was aimed, there was no point in refusing to generalize the lower rate. This padding of tariff rates in anticipation of negotiations is a chief reason why half a century of bargaining has meant on the whole higher and higher tariff rates in Europe instead of lower and lower rates.

The compatibility of tariff bargaining with the unconditional most-favored-nation clause is clearly established both by the

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practice of European states and by analysis of the trade figures. This clause does not preclude bargaining, though it does operate powerfully to restrict bargaining to one type, namely, bargaining on articles imported chiefly from the other party to the bargain. This is a narrower or wider restriction according to the niggardliness or the liberality of the bargaining countries in excluding from or admitting to the lists of tariff concessions articles of which considerable fractions are imported from third countries. There is no evidence that any other kind of bargaining would be popular if the obstacle of the most-favored-nation clause were removed. Uniform percentage reductions, as in the Cuban-American treaty, have not been sought.

The unconditional most-favored-nation pledge in commercial treaties permits tariff bargaining of an effective type, but it does not facilitate or encourage bargaining. It limits the scope of the negotiations, and hampers the negotiators. But this point has frequently been overemphasized. In the absence of most-favored-nation treaties, the negotiators might legally have a completely free hand, but they would not actually be unrestrained. The most-favored-nation clause expresses an idea of equity which exists even without its formal embodiment in treaties. No country could denounce all its most-favored-nation treaties and run amuck scattering tariff discriminations here, there and everywhere. Not only would the discriminatory system complicate the customs administration, but the retaliations would soon drive the discriminating country back to a simpler and more equitable system. A most-favored-nation clause expresses explicitly a restriction which exists, though of course with much less rigidity, outside of treaties.

The most-favored-nation clause is quite certain to survive not only the attacks of those who criticize it for extending its favors too widely, but also the attacks of those who object to it as an impediment to the reduction of tariffs. And it does or may impede the reduction of tariffs in at least three ways. Mr. Owen Jones, British Commissioner of the International Chamber of Commerce in Paris, states one of these ways as follows:[3]

> The weakness of the unconditional clause is speedily revealed, however, if it is regarded as an instrument for tariff reduction. It was not meant to serve this purpose. It really works out as an obstacle to tariff reduction, and often has done so in the past to the detriment of British trade. A country is often in a

[3] "Tariff Bargaining," *Nineteenth Century and After*, May 1932.

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position to grant to another country a tariff reduction which would be highly valued by the receiving country, but the concession cannot be made because the unconditional most-favored-nation clause would generalize it at once. The capacity of the receiving country to produce and export the commodity on which it desires a tariff reduction is known, and perhaps not feared, by the conceding country. But the admission of similar goods from all countries might well create an unacceptable opening for foreign competition in the home market.

There is doubtless some truth in the statement, but it seems relatively unimportant. Neither the United States nor any other country is going to attain any substantial lowering of its own tariff system or of foreign tariff systems by reductions withheld from the chief producers and exporters of each commodity and given only to countries supplying minor quantities. Such minor concessions could never cover more than a small fraction of the total trade, and would be relatively barren of economic results, since in many if not in most cases they would not offer the advantage of obtaining imports from the country with the most effective production.

Again it is pointed out that the unconditional most-favored-nation clause impedes tariff reductions because certain countries desire to avoid extending reductions even to minor imports from countries whose tariff rates are considered exorbitant. This charge is sometimes stated to be aimed particularly at the United States.[4] It would be more convincing if it were accompanied by some attempt to show that other countries have already made great progress in reducing rates of duty upon products of kinds not exported from the United States and other high tariff countries against whom the charge is levied. Until such evidence is forthcoming this argument smacks of a good excuse, a plausible scapegoat. Sir Arthur Salter puts it forward on page 201 of "Recovery. The Second Effort," but he states the real reason for the failure to reduce tariffs by bilateral bargaining on pages 204–5 in his description of the resistance offered by "the economic interests and the political forces inevitably created by a protectionist system."

The third way in which unconditional most-favored-nation treaties may prevent tariff reductions is by hampering multilat-

[4] Mr. Owen Jones says: "Another reason why generalized tariff reductions are difficult to obtain lies in the diversity of tariff levels. The high and autonomous level of the United States tariff is here a much quoted obstacle. Many a low-tariff country would receive more favorable tariff treatment for its exports if the favors had not immediately and unconditionally to be extended to highly protectionist countries."

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eral or plurilateral agreements, whether regional or otherwise. Tariffs are so complicated that any agreement including several countries is almost inevitably either confined to one or two products or else formulated in some very simple rule, such as that all the tariff rates shall be simultaneously and uniformly reduced by one-tenth. There have been widespread demands for such agreements but little evidence that the countries concerned could actually agree. Two more or less successful attempts can be cited — namely, concessions by western European states in favor of cereals from the Danubian states, and the proposal of Holland, Belgium, and Luxembourg to reduce their duties by fixed percentages in favor of each other and of all other countries which would join the movement.

Adequate discussion of this point would unduly prolong this article, but it may be said briefly that while the most-favored-nation clause may be unconditional, unlimited and unrestricted, it may also be limited by exceptions of various kinds. Perhaps an exception should be made in favor of certain types of multilateral treaties, safeguarded as proposed by the Economic Committee of the League of Nations; but such exceptions are not likely to be admitted generally until various countries stop playing international politics with their tariffs and show a genuine desire for reducing tariffs on sound economic bases. Too frequently examination discloses that these plans for regional preferences are not designed so much to lower tariff rates and abolish trade barriers for those within the preferred area as to increase tariff rates against those outside.

In conclusion it may be repeated that the purpose of the unconditional most-favored-nation clause is to avoid discrimination and to preserve and promote equality of treatment. Its mission is peace and good will. But it has been neutral and indifferent — perhaps unduly indifferent — concerning the height of tariff rates. It is a mere agency for carrying out the will of statesmen. Those who object that it is an obstacle to lowering of tariffs overlook the fact that during the free-trade movement of the last century the unconditional most-favored-nation clause contributed substantially to the lowering of tariffs. So it will again if and when the statesmen of the world are convinced that tariffs should be lowered and are determined to lower them.

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THE LAST OF THE ENGLISH LIBERALS

By H. N. Brailsford

WHEN after-generations come to assign a place in the history of the English people to Herbert Henry Asquith, they will have to rank him among the personal forces that shaped their destiny. He was, through years more decisive than any since the Napoleonic Wars, something more than the executive hand through which a stream of history passed — he diverted, and in some small measure canalized it, by the peculiarities of his own character and mind. He affected its pace, if not its direction. Looking at the man and the scene he left behind him, one is driven to conclude that neither English, nor Irish, nor even European history would have followed exactly the course that we know, if the elements of talent and deficiency in this powerful but limited personality had been mixed in slightly different proportions. Because this man combined a formidable dialectical machine with an emotional nature compressed within the tightest of Victorian stays, he was able in years of calm to win an ascendancy over his nation, which in years of tense feeling and animal excitement he gradually lost. History will rate him rather as a gifted than a great man, an executant rather than a creator; but while it describes him in negatives, it still must read his sign manual legible upon the events and institutions of his age.

The character of this unusual man emerges clearly from the able Life which has just been published.[1] By its careful dissection of the evidence relating to the less-known episodes — the inner history of the Irish crisis, and the intrigues that broke the First Coalition — it is much more than a biography: it is packed with materials for history. They do not obscure the man. One sees him as the product of an education which at once formed and suppressed. He acquired to excess that "stoic" reserve which is the ideal of English upper class schooling. It made him incapable of display, averse from drama, unwilling by word or tone, whether in daily intercourse or on the platform, to betray emotion. The instinctive in him had been driven underground so completely that to all but his intimates he seemed a pachyderm, a mere

[1] "The Life of Herbert Henry Asquith, Lord Oxford and Asquith." By J. A. Spender and Cyril Asquith. London: Hutchinson, 1932, 2 v.

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reasoning machine. It is significant that he found no pleasure in music, and disliked animals. The style of his public writings and speeches belonged wholly to this realm of the intellect. Lucid, cogent, and terse, it was also ponderous and unrhythmic. One finds oneself reflecting as one reads it, "How well that would sound in Latin!" And Latin, indeed, it was, in structure and vocabulary. He loved literature and was an omnivorous and industrious reader, but for subtlety he never cared: he passed Hardy and Meredith by, to revel in Scott and Balzac. His was not a speculative mind. He detested metaphysics and had no interest in science. Save for the usual party commonplaces, one does not gather that he had a political philosophy. About his religious views one learns nothing from these two big volumes, save that he was a stout Protestant. Concentrated by these very limitations, this quick and powerful mind was the perfect instrument for action. Silent, observant, with a quick eye for fallacy and egoism, careless of the impression he made on men, he listened, balanced, and then like a tense spring, reacted. To his decision he stuck without introspection or regret. Self-reliance, even arrogance he had, yet few men were ever less interested in themselves. Drafting judgments and decisions, composing quarrels, elaborating compromises, he was the happy craftsman, bent only on the object to be attained.

One learns in reading this book, if not to revise this estimate of the man formed as one watched him at work, at least to see its implications. Education did not destroy the instinctive emotional man: it only buried him, still alive. Sometimes he broke loose. He would, among close intimates, talk recklessly with whimsical exaggeration. His love letters in this book have a grace and ease of language wholly absent from his studied writings. It is recorded of him that he wept when he accepted his friend Birrell's resignation. Outwardly calm and unmoved through the sordid intrigues that destroyed him, his body bore the brunt of his suppressed feelings. That is the evident meaning of his paralytic stroke. He was Aristotle's "magnanimous man," armed to dominate men of a like training to his own, but helpless when he faced the Celtic genius of his younger rival, or the vulgar resources of the Northcliffe and Beaverbrook press.

Where, in the interpretation of this full and eventful career, lies the centre of gravity? Must we seek it in Asquith's considerable achievements in the field of social reform? Shall we write on

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his pedestal that he made inevitable, though he could not complete, the emancipation of Ireland? Is it his claim to fame that he presided over British policy during the decisive years of the Armed Peace, and conducted, till its latter stages, the war in which that epoch exploded? It may be that history will find the clue to this man rather in his struggle with the House of Lords. The rest, indeed, can be grouped around it. His real significance for history is that he completed the middle class revolution in England. He finally fulfilled the objects of the Liberal Party, and in so doing destroyed it.

The singularity of English history is that it protracted over more than two and a half centuries a transformation which other peoples compressed into a few years or decades. The Civil War, the Revolution of 1688, the Reform Act of 1832 are well-marked and decisive stages in the fluctuating struggle of the middle class against the aristocracy and the monarchy. But the twentieth century broke upon this island of vestiges and compromises with the work of emancipation still incomplete. A chaotic electoral system endowed property with plural votes, and fell far short of manhood suffrage. An hereditary Upper House survived with unlimited powers not merely of obstruction, delay and revision, but also of rejection. These it habitually used to frustrate all but the less contentious of Liberal measures, and finally stretched them till it challenged even the supremacy of the Commons over finance. To break this veto, if not to end it completely, was Asquith's work. Until that was done, the trading and manufacturing middle class had only half won the struggle that began in the seventeenth century against the landed, feudal class.

This, while the foreground of politics was littered with lesser things, was the central issue of English politics throughout Asquith's generation. Everyone knew that one day the struggle must come: the challenge was formulated in many a premature speech and motion long before the battle was joined. In some few minds consciously, in others subconsciously, it governed day-to-day strategy. Till it was settled, the Liberal Party retained its vitality, kept its identity, and believed itself to be separated by an impassable barrier from its Tory opponents. While it had the will to survive for the completion of its historic mission, it knew how to buy support far beyond its own ranks. It still kept the allegiance of a great part of the urban working class by its instalments of social reform, and even after a separate Labor Party

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was formed, compelled it to revolve as a satellite in its own orbit. Irish Home Rule had no direct connection with its central aims, but the support of the Irish Party was essential, and could be purchased at no lower price. The same strategic sagacity may have influenced Asquith and the Liberals of his school in departing, first during the Boer War, and then in the long rivalry with Germany, from the austerer doctrines of the Liberal tradition. It was no accident that when the battle with the House of Lords was won, and the franchise widened to include the whole adult population, the Liberal Party broke in a series of dissensions so disastrous and irremediable that one cannot imagine a recovery that may ever again permit it, save as an item in a coalition, to form a government. Its mission was ended: the middle class had disarmed its ancient rival; henceforth they might fuse. It required its ally in the working masses no longer. It was no accident that precisely at this moment Labor emerged as a self-conscious power, a closely-knit class organization, which contrived to form its own ministries. Asquith's career, in power and in impotence, was the epitome of this historical development. He held the pen for destiny to write the inevitable page. That is the central meaning of his story. Yet, accident and personality play their part. Had the voltage of his magnetism been a little higher, had the temperature of his emotions been a little warmer, had he possessed the instinct for dramatizing himself, he might have survived at the head of his government to celebrate victory in 1918, and to write a somewhat cleaner settlement. With the least streak of exhibitionism in his character, he might have vied with Lloyd George for the trust of an electorate which he could have controlled. In that event, the decline of Liberalism would have been less catastrophic, and the rise of Labor less sudden.

The man whom history named for this part grew up in the right environment. He came of a typical middle class family, which owned woolen mills in Yorkshire. It belonged to the Congregational or "Independent" Church, the sect most closely associated with the Puritan tradition and the Liberal Party. A vague family memory linked one of his ancestors with Cromwell. A brilliant and precocious boy, he cared nothing for games or athletics, read widely, and developed from an absurdly early age an interest in politics. First at the City of London School and then at Balliol College, Oxford, he won almost every distinction open to a student of the classics. Though he obtained

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a fellowship, he was not drawn to the life of a scholar. This sedentary young man, who wrote Latin just a little better than he ever wrote English, was built for a life of action. His ambitions lay in politics and he chose the usual road of the legal profession. At the bar his rise was slow. He had from the first a rare mastery of lucid speech and a still rarer sledge-hammer power in argument, combined with a sure sense for order and form. The technicalities of the law interested him, but he was not particularly successful in handling juries, for he disdained any appeal to the emotions. As in later life he left a popular audience cold, yet dominated the House of Commons, so in his legal practice he impressed a judge, but rarely moved a jury. In the House of Commons he made his mark at once by his readiness in debate. No one could call him an orator, but he had a devastating skill in argument and the art of marshalling facts: he could improvise with a minimum of preparation, and he inspired respect by a certain integrity of mind that conceded the strong points of an opponent's case and drove straight to the centre of the subject. Few were surprised when in 1892, at the early age of forty, he entered Gladstone's last cabinet as Home Secretary.

This was a decade of uneasiness and dissension within the Liberal Party. The veteran Gladstone was driven into resignation by his cabinet's insistence upon naval estimates that offended his zeal for economy and peace. The wayward, neurotic personality of Lord Rosebery made a disastrous substitute for his leadership. Harcourt and Morley were difficult colleagues, and apart from these personal dissensions, the Party was torn between the relics of its old *laissez-faire* individualism and the mild reformist socialism with which the Fabians had begun to "permeate" it. A deeper rift came with the Boer War. The imperialism which Asquith advocated at the head of the closely-knit group of friends, Rosebery, Grey and Haldane, who formed the dissentient Liberal League, reflected an economic change that took place in English middle class interests during the second half of the nineteenth century. The export of consumers' goods, notably cotton cloth, was no longer their dominant concern. The export of capital, whether for railways, engineering works, factories, plantations or mines, was now the aggressive, expanding interest that shaped foreign policy and demanded, more imperiously than the marketing of merchandise had ever done, a permanent political control over the territories in which it oper-

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ated. At Oxford, Asquith had led in a debate in support of a motion welcoming the break-up of the British Empire. That attitude, usual among the Manchester School, he abandoned in early manhood, and logically enough backed, with some qualifications, the policy of Chamberlain, Milner and Rhodes, which aimed at bringing the Transvaal and its gold mines within the Empire. On the surface there was here a curious contrast with his later attitude in the Great War. The pro-Boers (notably Lloyd George) stressed the rights of little nationalities, which Asquith and his school dismissed in 1899 as sentimentality, but found extremely useful to buttress their policy in 1914. The contradiction belonged only to the realm of propaganda. In 1914, as in 1899, Asquith's policy was at bottom severely realistic, *with the Empire's interests as its decisive criterion. This con*troversy over the Boer War nearly wrecked the Liberal Party. Common ground was found, however, in advocating prompt and complete self-government for the conquered republics. Liberal imperialism had the same economic root as the Tory variety, but in South Africa, as in Ireland and India, it kept, albeit in subordination, its faith in democracy.

Joseph Chamberlain's crusade for an Imperial Customs Union revived the Liberal Party. As a propagandist for free trade, Asquith had no equal; the theme suited his precise, argumentative and somewhat pedestrian style. Inevitably he took his place as Chancellor of the Exchequer in the ministry which Sir Henry Campbell-Bannerman formed at the close of 1905. With an immense majority behind it, no longer depending on the Irish vote, the Party postponed the less popular issue of Home Rule and concentrated on social reform. For this postponement it had a good reason: it was useless to attempt to carry Home Rule until the Lords' veto was removed, and plainly if the English democracy was to be mobilized for that supreme effort it was wiser to fight on a domestic controversy. As Chancellor, Asquith's chief contribution was the grant of old age pensions to the workers. The mortal illness of Campbell-Bannerman brought him in 1908 the Premiership, which he held through nine crowded years. Lloyd George took his place as Chancellor and continued, with a great scheme of health insurance for the workers (including maternity benefit), Asquith's policy of social reform. Asquith's personality aroused in the rank and file of the party only a moderate enthusiasm: he was cold, and he lacked creative imagina-

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tion. He made no appeal to the masses, wavering between their old attachment to Liberalism and the attraction of the Labor Party: their hero was Lloyd George. Yet Asquith had only to rise in his place in the House to assert an ascendancy that rested not on intellect alone, but even more upon a transparent integrity of mind and character. With a united party, a huge majority and a singularly able team of ministers, Asquith enjoyed the reality of power as no Liberal Premier had done since Gladstone split the party in 1885.

Two main preoccupations filled the years of this eventful ministry: the class struggle at home, the preliminaries to the Great War abroad. Vaster events have so nearly obliterated the memory of these years that it is difficult to recall their passions; their printed records seem incredible. Partly by his pungent and deliberately provocative oratory, partly by his taxes (trivial as these seem in comparison with the burdens of post-war years), partly by his proposals to undermine the prestige and limit the wealth of the landed class, Lloyd George made an atmosphere of class war such as England had not known since the Reform Bill of 1832. When the Lords threw out his budget the issue of power was inevitably raised, and had to be fought to a finish. The House of Commons lost its traditional decorum, and men of intellectual distinction, who bore illustrious names, behaved of set purpose like hooligans. The Lords, with the greater part of the Tory Party behind them, were determined to "die-hard" and "damn the consequences." Two general elections and the explicit threat of the use of the King's prerogative to create a large number of peers were required to place the Parliament Act finally on the statute book. Lloyd George throughout this contest was the exuberant class warrior, who joyfully widened the breach, manifestly seeking revenge for the centuries of inferiority and exploitation that rankled in the memory of the small tenant farmer class from which he sprang. Asquith never touched that stop: he fought for abstract democracy and the rights of the Commons: yet beneath his reserve the same order of motives must have worked. Sharp as the contrast was, the two men were in harmony and complemented one another. If one supplied the dynamic and aggressive will, the other was the sagacious strategist, who kept the struggle within constitutional forms, and contrived — a delicate task — to gain the support both of King Edward and King George. The solution, which left to the Lords

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a suspensory veto limited to two years, was adequate for Liberal purposes: it would serve to carry such bills as Welsh Disestablishment or Irish Home Rule. A Labor Government, on the other hand, if in a crisis of grave economic emergency it seeks to introduce fundamental changes in the structure of industry and finance, will find it a hampering obstacle, for it will have to act promptly.

The passing of the Parliament Act rather aggravated the class struggle than ended it. The battle was now transferred to Ireland, and down to August 1914 civil war was an imminent possibility. Reading over Mr. Spender's close and accurate narrative, one has the impression that the English Tory Party was actually more intransigent than the Ulstermen. Certainly Lord Lansdowne and Mr. Bonar Law were more irresponsible than Sir Edward Carson. The atmosphere was even more revolutionary than it had been while the budget was the issue. The Tories were playing for a third election on ground more favorable to themselves, and they used the revolt of Ulster and the disaffection in the army to frighten the English electorate. If they had had their way, they would have undone not the Irish settlement only, but the Parliament Act and the budget as well. Never since the seventeenth century has the English governing class played so recklessly with fire.

Mr. Spender, the least critical of biographers, is not happy over his hero's handling of this situation. One recognizes that he could not have coerced Ulster, and was wise not to attempt it: for the maladroit handling of the army he was not personally to blame. Where it seems to me that he failed, through weakness or lack of imagination, was in the last stages of this affair. It was folly to suppose that Ireland, with Home Rule on the statute book yet suspended, would wait indefinitely, through an interminable war for its realization, knowing very well that an untoward election in England might still dash the cup from her lips. The chance to realize Home Rule promptly came after the Easter Rebellion in 1916 under the First Coalition. Asquith, Balfour, Redmond and Carson were agreed, but the minor Tory leaders were allowed to wreck the settlement which the bigger men had reached. Had Asquith insisted, to the point of offering his resignation, Ireland would have been spared the miseries and England the shame of the Black-and-Tan repression, nor need a civil war have darkened the early years of freedom.

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To assess objectively Asquith's part in the events that led up to the war is an impossible task for one who lived actively through this time, and was throughout it in the opposite camp. Two things an honest critic must concede and stress. Neither Asquith nor Grey was the initiator of the policy which placed Britain within one of the two armed camps that divided Europe. That was the work for good and evil of Lord Lansdowne and, as some would add, of King Edward; and it was soon the accepted policy of the governing class. The dissentients on the Liberal Left and in the then inconsiderable Labor Party, though they had with them the *Manchester Guardian*, the *Nation* and the *Daily News*, were never able, for lack of clear evidence, to challenge it seriously. The democracy was never allowed to know the extent of these commitments. It is fair to remember that for the early yet decisive phases of this policy, when military conversations began secretly at the end of 1905, between the British and the French, Campbell-Bannerman, who was no imperialist, bore a more direct responsibility than Asquith. In the second place, one recognizes that within the fatal framework of this virtual alliance with France, Grey and Asquith sought periodically, and not without resource, to find a road to peace — now through the Haldane conversations, again through the Baghdad and African bargains, and finally in their proposals of the last hour for mediation. War was latent in their policy; they knew it; they prepared for it; yet again and again they looked for a way of escape. Given the French alliance (and it is pedantry to use any other word), they would have been dishonored had they shirked the consequences in 1914.

There is not much fresh light within these two big volumes on the reasons which made Asquith a firm partisan of the French connection. His was a lucid and trenchant but not a discursive intellect. His ultimate reason was the simplest possible application of the traditional British principle of the balance of power. British interests forbade him to allow France to be weakened. Not only could he not permit an attack on her coasts: it would be "infamous" to let her be despoiled of her colonies — a fate which she once suffered at British hands. Belgium, though one does not question the sincerity of official indignation, was a secondary consideration. There is nothing in Asquith's papers or in his contemporary utterance to suggest that he ever pictured to himself the kind of Europe that would emerge from the war. He used

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phrases, indeed, about the majesty of law, but did he realize that in resisting a German hegemony over Europe he was fastening on the Continent the yoke of France? Believing, as for long he did, in the solidity of Tsarist Russia, how did he envisage the influence of this Power, swollen, as she was to be, by the addition of a reunited, yet subject Poland, and by the acquisition of Constantinople? He had his blind eye, and turned his telescope always to the West. Nothing is more puzzling in his record than his refusal, both at the time and afterwards, to see the significance of the Russian mobilization. It may be that every man of action must equip himself with blinkers. Asquith saw in sharp definition the consequences for England of the possible elimination of France from the front rank of Great Powers, and all the documents in this book suggest that he saw nothing else. It would mean the inferiority of his own country and her isolation in the future phases of the great rivalry. On that he acted, with a power of concentration characteristic of him through life. Sure of himself, he had no regrets, nor did he hesitate over any of the consequential steps that his main purpose required. On him, as directly as on Grey, falls the responsibility for the secret treaties.

One does not judge a man so impersonal and objective as Asquith. His very limitations, his blinkered imagination, his engineer's habit of reasoning straight from ends to means, made him the embodiment, if not of the national will, at least of the purposes of the middle and governing class. It is a fascinating exercise to ask oneself whether, by some variant of its policy, the British Government might have averted the war. One school maintains, plausibly enough, that a frank avowal of Britain's unconditional solidarity with the Dual Alliance would have availed to impose prudence on Berlin. That is possible: but to do it, Asquith and Grey must have wrecked the Liberal Party, which would not have sanctioned such a course. It is also possible that if at the outbreak of the Serbian crisis the British Government had announced its decision to intervene with arms against the Power which so acted as to render war inevitable, it might have kept the peace. Berlin might then have moved more promptly and decidedly than it did to restrain Vienna, and the Russian mobilization might have been prevented. But this hypothetical solution is even more fantastic. Tied to France as the Foreign Office was, it could not act with this extreme detachment.

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The ultimate judgment of British policy turns on our answer to this question: What was it that drove the governing class to revive in this very conscious, very resolute form, its traditional doctrine of the balance of power? Was it a disinterested abhorrence of something peculiar in German militarism? Or was it the consequence of a world-wide struggle for economic power, inevitable in an era when in Morocco as in China, in Turkey as in Persia, economic expansion was sought by diplomatic pressure, and every ambassador cast the shadow of an ironclad as he moved? That is, I think, the thesis which the realistic historian will defend. In its light Asquith's career gains a luminous consistency. He represented the new middle class which had become so widely a body of investors with a stake in an expanding empire. He led the Liberal half of it in the South African war: with masterly skill he carried it with him into the Great War. But economic imperialism could not be sewn like a patch upon the historic robe of Liberalism. The end was coming, as much by the rise of Labor as by this questionable evolution. Like a man who knew that Liberalism's hour was short, Asquith completed its historic mission, and shattered it in the act.

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VANISHING WORLD TRADE

By J. B. Condliffe

I. THE EXTENT OF THE DECLINE

THE total value of world trade in 1932 was less than 39 percent of what it had been in 1929. Except for seasonal variations it had declined continuously from the end of 1929 to the third quarter of 1932; in that quarter its value was little more than a third of what it had been in the corresponding quarter of 1929. A seasonal recovery in the last quarter of 1932 brought the percentage up again to the average for the year. But preliminary figures for the first quarter of 1933 show a further heavy fall, which threatens to bring the total down to new low levels.

These estimates are based upon the statistics of forty-nine countries which account for about 90 percent of the total value of world trade. In order to eliminate exchange fluctuations, national currencies have been converted into gold dollars at average monthly rates. The decline therefore represents in part a heavy fall in gold prices; but it reflects also a substantial fall in the actual quantum of imports and exports. There has been a fall of over 25 percent in the quantum and of about 50 percent in the average price level; so that the exchange of three-fourths of the 1929 quantities at half the 1929 prices has brought the total value down below 40 percent of the 1929 level. Of these two factors, the more alarming, because the more difficult to change, is the quantitative decline. The recovery after the autumn of 1932 was seasonal; but there has been no lifting of the restrictions (particularly of the new quantitative restrictions) upon the movement of goods, and the quantum has continued to decline. The fall which had been 7 percent in 1930, 9 percent in 1931 (compared with 1930), and 11–12 percent in the first half of 1932 (compared with the first half of 1931), rose for the year 1932 as a whole to 13–14 percent. The further fall indicated in the second half of 1932 emphasizes the growing importance of quantitative trade restrictions. Different countries have suffered in different degree, as is seen from the table on the next page giving the percentage decline in the value of imports and exports (excluding gold bullion, except in the case of South Africa) from the 1929 levels.

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THE DECLINE IN IMPORT AND EXPORT VALUES, 1930–1932

(expressed as percent of the 1929 dollar values)

	Imports			*Exports*		
	1930	*1931*	*1932*	*1930*	*1931*	*1932*
Chile	12	55	87	42	59	84
Peru	35	63	78	35	59	71
Brazil	39	68	75	31	48	63
Argentine	24	57	74	43	53	64
Australia	38	73	74	29	47	54
Uruguay	19	51	73	4	51	71
Poland	23	53	73	13	33	62
Finland	25	54	70	16	36	56
New Zealand	15	56	69	21	46	58
Canada	22	53	69	25	51	63
United States	28	51	69	27	54	69
British Malaya	20	51	69	29	59	75
Hungary	21	49	68	12	45	68
Germany	23	50	66	11	28	55
Egypt	16	48	66	38	51	65
Ceylon	25	49	65	23	49	68
Jugoslavia	8	37	65	14	40	65
Czechoslovakia	21	44	63	14	36	64
Greece	21	44	62	13	40	61
Italy	18	46	62	18	33	55
India	28	51	61	22	53	70
South Africa	23	36	61	14	25	28
Japan	25	41	60	27	44	62
Rumania	25	46	59	3	24	42
Great Britain	14	34	58	22	50	64
Austria	16	34	57	14	39	65
Norway	0	25	57	9	44	49
Denmark	3	23	55	5	27	53
Sweden	7	25	55	14	42	64
Belgium	12	34	54	18	29	54
Spain	+18	43	53	+16	53	65
Netherlands	12	31	53	14	34	57
China (excluding Manchurian ports)	23	34	50	36	66	73
France	10	27	49	14	39	61
Irish Free State	7	22	49	5	27	59
Switzerland	4	19	36	15	35	62
Algeria	0	5	27	+13	8	6
U. S. S. R.	+20	+25	21	+13	12	39

It will be noticed that the countries are arranged in order of the decline in their imports in 1932 from the 1929 levels. In some cases, particular circumstances need to be recalled. India, for

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example, has a decline of 70 percent in her exports and would come much higher up the list if it had not been that the release of hoarded gold in large quantities enabled her to import more than her commodity exports alone would have purchased. China is on a silver standard, and for this and other reasons, including gold export and foreign expenditures, has been able to import more than her export returns might suggest. The relatively light decline of exports from South Africa is caused by the inclusion in its case of gold bullion as a commodity export; but there was a substantial fall of imports, less than those experienced by the other British Dominions, but greater perhaps than might have been the case if gold mining had been a purely local industry. It is the agricultural-exporting countries which have suffered most from the constriction of world trade, and among them the countries which are most dependent upon export markets appear towards the head of the list. Their import troubles came earlier and were more substantial than those of the industrial countries.

It is obvious that the decline of imports in any particular case is caused by two main factors — a decline of purchasing power in the world's markets, and artificial import restrictions such as tariffs, exchange controls, and quotas. It is impossible to determine which of these is the more important, and, indeed, in some respects one is the counterpart of the other. The increase of agricultural protection in various European countries after 1925, for example, was not unconnected with the difficulty which non-European countries found in marketing their growing export surpluses.

There are signs in certain countries of improvement in trade balances — of debtors exporting and creditors importing relatively more. But this is not general, and better balances secured at the cost of trade restriction do not help the world situation.

The main lesson of the statistics, however, is not to be found in the peculiarities of individual cases so much as in the general heavy decline both of imports and exports. Unfortunately, comparable figures are not available for previous depression periods, but calculations made by Dr. Wagemann seem to indicate that the total value of world trade declined much less in previous crises. His estimate for the decline from 1907 to 1908, for example, is 7 percent. Nothing approaching the magnitude of the present fall both in prices and in quantum occurred in even the worst pre-war crises.

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The natural accompaniment of such a drastic reduction (and particularly the quantitative reduction) of international trade has been a huge piling-up of stocks of raw materials. Between 1929 (at which date stocks were already high) and the end of 1932, the visible supplies of wheat rose more than 12 percent; of tin, 74 percent; of cotton, 77 percent; of rubber, 95 percent; of copper, 115 percent; of zinc, 148 percent; of sugar, 173 percent. A weighted index of world stocks of nineteen important raw materials compiled by the German Institut für Konjunkturforschung rose by 70 percent in these years.

The repercussions of such a heavy decline in the interchange of commodities may be traced in every aspect of organized economic life. Production has been reduced and deranged, and unemployment aggravated; capital movements, already at a low ebb, have been virtually paralyzed; the fall in prices, particularly of agricultural raw materials, has been accentuated; and as one country after another moves further along the road to self-sufficiency, standards of living are cut down. The international financial position has been seriously affected also. Amounts of short-term indebtedness formerly necessary to finance trade became excessive when the value of trade decreased. Attempts to reduce these credits, however, led to strain on the balances of payments, which was met by further trade restrictions. These further restrictions again reduced the need for credits and, moreover, made it increasingly difficult to discharge the service of long-term debt. The freezing process became general. Examples are invidious, but there is at least one European country where in 1932 the total value of exports had fallen below the amount nominally necessary for the service of foreign debt. There can be little easing of the present tension in international finance until goods are allowed to flow more freely. Nor can a rise in prices be looked for until an outlet is found for the huge stocks which at present overhang most raw material markets. Trade restrictions form one of the key logs to be moved if the present economic jam is to be broken.

II. THE NATURE OF THE RESTRICTIONS ON TRADE

It is usual to draw a distinction between the tariff increases which took place before the widespread abandonment of the gold standard in the latter part of 1931, and the emergency measures imposed after that date. In fact, however, there is no

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clear line of demarcation and it is very necessary to stress the essential continuity of commercial policy throughout the whole post-war period. The growth of economic nationalism in these years was a major cause of the economic strain which developed after the speculative boom burst in October 1929, and equally of the financial crisis which broke upon the world when the Austrian Credit-Anstalt's difficulties were revealed in May 1931.

There were, of course, a great many complicating factors in the post-war economic and financial situation. The psychological, as well as the economic, effects of intergovernmental debts such as reparations, which steadily became less tolerable; successive adjustments of international price equilibria as one country after another stabilized its currency and re-attached it to the international gold standard, credit policies designed partly to facilitate this return to the gold standard and also to facilitate the payment of reparations and war debts, but carrying with them the germs of an inflationary boom — all these, together with many other factors of change, played a part in creating the instability which finally caused the collapse of the international financial system.

But it is clear that, given the circumstances of post-war international finance, restrictive commercial policies designed to maintain and augment domestic production and export of important commodities, especially agricultural products, were more than usually dangerous to price stability. In order that international financial commitments might be met in recent years it was necessary not only that commodity trade should pass in large volume, but also that the balance of payments between debtor and creditor countries should rapidly change, the latter receiving larger quantities of imports from the former in discharge of their obligations. Attempts to "bridge the gap" by international loans were justifiable only as a temporary expedient upon the assumption that such loans would create a greater volume of production in the debtor states and that the creditors of these would be willing ultimately to receive a large share of such increased production in the form of commodity imports.

In fact, cumulative restrictions distorted the direction of trade, disturbed price relations, and made it difficult for debtor countries to discharge their obligations. This resulted, even before the collapse of credit expansion in October 1929, in a steady downward pressure upon the price-levels, a pressure which was

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marked from the last quarter of 1928 onwards. The fact that the increased tariff protection of the years before 1925 was applied largely to agricultural products aggravated the pressure upon the debtor countries, most of whom rely upon exporting their agricultural surpluses to balance their international accounts.

Since the fall in commodity prices (which was the chief manifestation of disequilibrium even before the acute stage of the crisis began in October 1929) was partly caused by previous trade restrictions, it would be superficial reasoning to consider the emergency trade restrictions which have been imposed since 1929 as a separate problem. Not only the emergency trade restrictions imposed since 1929, but also some part of the tariff increases before and after 1929 must be removed before trade can flow in sufficient volume and with sufficient freedom to promote the resumption of international financial coöperation. If it is not possible to negotiate freer trade in this degree the alternative must be faced not only that price-levels may remain at their present low levels, but also that, either by negotiation or by default, a considerable part of existing foreign and domestic investment may need to be abandoned. There is, however, a danger that the contrary choice of maintaining or extending policies of economic nationalism may be made, if only by lack of agreement upon methods of removal. In the words of the experts who prepared the Draft Annotated Agenda for the forthcoming Monetary and Economic Conference: "Such a choice would shake the whole system of international finance to its foundations, standards of living would be lowered and the social system as we know it could hardly survive."

While it is thus necessary to stress the fallacy of concentrating attention wholly upon the most recent emergency trade restrictions, to the exclusion of the tariff increases which preceded and accompanied them, the newer forms of protectionism present certain characteristics which cause them to be peculiarly destructive of international trade.

Many of them had a comparatively innocent beginning in a system of licensing imports. Though methods of administering the various licensing systems vary almost indefinitely, utilizing both civil service and trade controls, the general principle upon which they are based is that the power to import goods becomes conditional upon the importer's obtaining permission, under regulations which soon become so complicated as to require

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expert interpretation, to purchase in limited quantities during stated periods, from outside markets.

Licensing of one kind or another, involving increasing interference with private trade initiative, is very apt to develop into more generalized forms of control. The main varieties of control practised in Europe today are four — foreign exchange controls, quota systems, milling or other sumptuary regulations, and clearing agreements. Under the first, permission to import is granted only if sufficient foreign exchange is available in the central bank to provide payment without endangering the external value of the national currency. Attempts to control exchange transactions, however, are met by ingenious trading devices of an offsetting kind; and in most cases a "black" exchange market develops. If, as usually happens, the internal value of the currency is maintained at a nominal rate higher than its valuation by foreign traders, the exchange control defeats its own purposes, since it tends to raise domestic prices and to discourage exports.

Nevertheless, such controls, which are now officially maintained in no less than 24 countries, have been a major factor in the destruction of international trade.

Quota systems are now in force in 32 countries and in many of them have been extended to cover a very wide range of imports. They are a modification of the system of import prohibitions, by which a specified quantity only of certain commodities may be imported within a certain period. Such quotas are naturally less than the quantities which it is expected would be imported but for their imposition, and generally less than the quantities previously imported. The allocation of quotas as between countries of origin and also as between individual importers, whether carried out through the trade organizations concerned or by civil servants, substitutes general and often political considerations for individual trading enterprise.

Milling and similar administrative regulations prescribing the use of certain proportions of domestic produce in processing rank with import monopolies, administrative fees, quarantine regulations, as effective but half-concealed forms of quantitative import restrictions. To these main types of restrictions must now be added the various clearing agreements by which an attempt is made to balance bilateral trade between two countries, so that an importer becomes limited to goods from countries which pur-

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chase roughly equivalent values of his own country's products. The effect of these agreements is to reduce, sometimes very drastically, the triangular trade which was an essential part of international commerce, and thus to bring about a swift compression of world trade in general. The aim of such agreements is to safeguard the balance of commodity trade for the particular countries concerned, but if the process goes much further the balances will be hardly worth safeguarding.

All of these forms of quantitative regulation tend to become merged into one centralized control. Over a wider and wider range of imports, they tend to take the form of a prohibition of trade, mitigated in varying and uncertain degree by special permission to import limited quantities of particular commodities from certain countries during a brief period. The mass of regulations is constantly growing and changing until in many cases it becomes almost incomprehensible even to the expert. The restrictions and administrative hindrances to which traders have been subjected have grown to the point where it has become necessary in some cases to seek permission for almost every individual transaction with a foreign merchant. The consequent stifling of individual enterprise is not the least evil to which the new protectionism has given rise.

III. THE ECONOMIC CONSEQUENCES OF QUANTITATIVE IMPORT RESTRICTIONS

The various forms of the new protectionism were adopted, and are defended, as emergency measures necessary in the financial crisis to safeguard the particular country's balance of payments and to protect vital industries. They have been preferred to tariffs because they bring more immediate, direct and effective results. It is precisely because they have proved more destructive of trade that their vogue has grown so rapidly. At the same time, however, it is to be remembered that tariffs have also been rising almost continuously throughout the depression.

The first reason for the greater effectiveness of the quantitative trade restrictions lies in the fact that they go directly to the object aimed at. A customs duty consists of a tax added to the wholesale import price. It is bound to effect some reduction in the quantity of the commodity imported; but it is imposed at the most sensitive point of the whole mechanism and its effects are diffused, backward to the producer and forward to the con-

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sumer. An import duty, therefore, has to be high before its effects, diffused over the whole range of competitive trading, are likely to be prohibitive of imports. Duties may of course be raised to prohibitive levels, especially on goods where competition is keen and profit margins are narrow. But most duties are less destructive of imports than the new quantitative restrictions have proved to be.

Moreover, under a reasonable tariff system there is always the possibility of maintaining imports by lowering prices. Improvements in production or distribution, the acceptance by the producers of a lower remuneration, or a generalized fall in wholesale prices, may counteract the effect of the duty.

Quantitative import restrictions short-circuit any such possibilities. Instead of imposing pressure on wholesale prices in the hope of effecting some reduction in import quantities, they achieve that result directly. The difference of method may be compared to the difference between pressure on a smoothly diffused braking system and the sudden placing of blocks in the wheels of the trading mechanism. There is a considerable difference between a new tariff which may effect some reduction in imports as one consequence of its tendency to raise prices, and a direct reduction of imports by a quota system.

Moreover, tariffs rarely insulate domestic markets as successfully as quantitative restrictions have done. It is the combination of quotas and milling regulations with high tariffs which has produced the grotesque differences existing at present between the price of wheat in different countries. The domestic price of wheat in some European countries is three to four times the price in Canada or the Argentine.

Generally speaking, the reaction of quantitative restrictions upon the price of the commodities restricted is much more violent than the reaction of tariffs. Fluctuations also are heavier. If it is desired quickly and effectively to shut out certain classes of imports, such for example as luxury goods of highly elastic demand, a quota system, by forcing prices up rapidly, and thereby reducing demand, may be a better instrument than a tariff; but the limitations of such possibilities are obvious.

When the commodities whose import is suddenly restricted are staples of which both the supply and demand are relatively inelastic, or when prohibitions and quotas are applied to such a wide range of manufactured products as seriously to restrict the

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use of essential raw materials, the effects upon prices are likely to be disconcerting and disappointing to producers in both importing and exporting countries. This, unfortunately, is the commonest experience at the present time.

It is impossible in a brief article to trace all the various theoretical possibilities of the effects of quotas in different circumstances. Attention will be drawn here merely to the particularly important problem raised by the increased tendency in many European countries to protect their agriculture by direct quantitative restrictions on imports rather than by tariffs.

The basic facts are: expanding production in the non-European countries of agricultural commodities such as wheat, and of certain animal products like butter and bacon; temporarily reduced but relatively inelastic demand in the importing countries; and a heavy downward pressure upon prices, partly because of reduced demand but also because of reduced costs of production. Two other essential facts need to be stressed, the imperative need of the exporting countries to maintain and even expand their receipts, either by greater production or by higher prices, and the great importance attached by the importing countries, for social and political as well as economic reasons, to the protection of their own agriculture. The mere statement of these factors is sufficient to bring out the extraordinary gravity of the *impasse* into which international trade in these agricultural products has been thrust by the depression.

Tariffs having proved incapable of staving off the import competition, the European importing countries have resorted in increasing measure to quantitative import restrictions. What have been the effects of such measures?

It is clear that one result has been effective protection of agriculture in the importing countries. Where the quantitative restrictions have been most drastic, as in the case of wheat, there has even been a definite expansion of production. More wheat is being grown in industrial western Europe, at higher costs and under less favorable conditions. There has not always been a corresponding contraction of production in the exporting countries. On the contrary, production continues in many cases to expand; and the expansion is often accelerated by the imperious necessity to maximize export receipts. The net result, therefore, is a considerable but costly and vulnerable expansion of production in the protected countries and little diminution — expan-

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sion even — in the exporting countries, for lack of other possibilities.

The effects of such changes in supply (demand being relatively inelastic at best and seriously affected at present by the diminished purchasing power of consumers) has been to disappoint the hopes of the protected producers for higher prices, and in many cases severely to injure the unprotected producers. Thus domestic prices in the protected countries, forced up by restricted imports, are difficult to maintain as demand falls and domestic production increases. The result is that quotas have constantly to be made more restrictive, and constantly tend to defeat their own objects. In the exporting countries, the fall in prices, except where they have a virtual monopoly of the restricted market, is disastrous and the piling-up of stocks forbids any large hopes of improvement. In a word, quotas, instead of reducing world production and raising prices, have had precisely the opposite effects and have smashed world markets in the process. The statistics of wheat production and prices in recent years are sufficient to bear out the general validity of this reasoning. Harvest variations naturally affect the yields and it should be remembered that the harvest in 1932 was good in western Europe, poor in eastern Europe and Soviet Russia, and poor also in the United States. While this modifies, it does not destroy the lesson of the following table:

WHEAT PRODUCTION IN IMPORTING AND EXPORTING COUNTRIES [1]
(million quintals)

	1926–30	*1930–31*	*1931–32*	*1932–33*
European Importing Countries.....	284	275	290	340
European Exporting Countries.....	83	96	100	67
Non-European Exporting Countries...	552	595	557	552
Total World Production.....	919	966	947	959

In face of the new protectionism, and of the vested interests already fostered by it, a reduction of tariffs, necessary as it is, will not alone suffice to restore world trade. Nor is it now possible to hope that simple generalized solutions, based upon most-favored-nation treatment, will be adequate to such a complicated problem. World trade has fallen into such disorder that only two sorts of approach are now possible — the sweeping away of all

[1] "Bulletin Mensuel de Statistique Agricole et Commerciale," International Institute of Agriculture. (The U.S.S.R. is excluded.)

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the new quantitative restrictions, with the drastic competitive consequences that this would entail; or a laborious, complex and comprehensive elaboration of progressive schemes for lifting the trade barriers as other economic and financial problems are alleviated. The former is perhaps too heroic a remedy to be practical; but the prospects of delay and inadequacy involved in the latter method are very great. A bold lead on tariffs, with steady pressure for the rapid abolition of quantitative restrictions, both forming part of wider policies aiming at currency stability, debt settlements, and, in certain special cases, regulated production of important products, may be found to offer the best and most practical solution.

Blind protective efforts on a national scale have not proved effective, except in destroying the constructive while attempting to control the destructive aspects of competition. The alternative is a more conscious and intelligent effort at international coöperation. There must be some measure, at least temporarily and in certain cases, of agreed controls of production until adjustments (for example in agriculture) can be carried out; there must be a resumption, but upon more carefully planned lines, of international lending; there must be willingness on the part of the great creditor countries to receive the products of their investment, and on the part of the debtors to accept no obligations they cannot honor; effective coöperation in the monetary sphere must be devised; and, in general, there must be a sharing of responsibility for the common welfare instead of a short-sighted scrambling for national advantage. Such a program obviously demands continuous effort over many years; but no solution of the present crisis which does not set the world upon this track will endure.

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BELGIAN FOREIGN POLICY AND THE NATIONALITIES QUESTION

By Emile Vandervelde

AT AN early session of the Locarno Conference, which I attended as Minister of Foreign Affairs for Belgium, I had occasion to remark that Belgian foreign policy was absolutely independent in every respect. The statement was received skeptically by the representatives of Germany, Chancellor Luther and Dr. Stresemann. Those gentlemen — Dr. Stresemann in particular — may later on have changed their minds to some extent. For at Geneva in 1926 Belgium joined with Sweden in objecting to the Anglo-French proposal that the award of a permanent seat on the Council of the League of Nations to Germany should be in a measure offset by the admission of Spain and Brazil. All the same, the view is still widely accepted in Germany, and in other quarters too, that Belgium is bound hand and foot to France, that she bears the same relationship toward her that Poland or Jugoslavia does, and that the Franco-Belgian defensive agreement of September 7, 1920, which has never been formally abrogated, constitutes a military alliance of the pre-war type.

In Belgium itself, however, a good half of the population is made up of Flemings who are in general unsubmissive, if not openly hostile, to French influence. Since the war, not to say during the war, Flemish minorities, even though inconsiderable ones, have come out for autonomy or even for downright separation. Their platforms have sometimes demanded a federal system which would all but disrupt the national unity, or have called for a Free State of Flanders along the lines of the Free State of Ireland. At home, the "Flemish movement" has never been taken so seriously as it has been taken in some places abroad. But certainly it has tended, coinciding as it has with a great uprising among the Flemish masses in favor of "parity of languages," to create an impression abroad that the Kingdom of Belgium, embracing populations differing widely in language and traditions, has never been more than an artificial thing destined sooner or later to be discarded. There is a feeling, at the very least, that the problem of national minorities is a critical one in Belgium, so critical as to justify a not very favorable prognosis for the future of the country.

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What are we to say to all this? Is there a real nationalities issue in Belgium? And, in view of the fluctuations of a fairly complicated domestic situation, can we say that there is a consistent Belgian outlook on foreign affairs?

I. THE FLEMISH QUESTION

"Sire, there are no Belgians: there are Flemings and Walloons." Such the words, studiedly trenchant, with which a Socialist deputy from Charleroi (in the Walloon section), M. Jules Destrée, began an "Open Letter to the King *of the Belgians*" just before the war. And the letter went on to protest against the centralizing policy that had been followed in Belgium since 1830, in imitation of Napoleon's policy of centralization in France. Destrée was in favor of what was then styled "administrative separation." It would have involved a dual system of administration which left a good measure of self-government to districts and localities but was quite compatible with a unified Belgian state.

As regards the two assertions in Destrée's opening sentence, the first, that there were no Belgians, was questionable to say the least; and Destrée himself eventually withdrew it. The second had a basis in fact. It is altogether true that when groups of people speak different languages they inevitably come to differ in other respects as well. And it is also true that in Belgium, as in Switzerland, there are and always have been two — or more strictly speaking three — national languages.

Scattered along the Prussian frontier (and not only in the cantons of Eupen and Malmédy, which were annexed to Belgium under the Treaty of Versailles) there are villages where considerable portions of the inhabitants (41,514 in 1920, as against 77,195 in 1910) exclusively or as a rule speak German. I remember that on a visit to the trenches during the war I met a Belgian soldier who did not understand a word of French or Flemish and knew no other language than that of the enemy he was facing. But from any national standpoint that would be just a curiosity. The country at large, with a population in excess of eight millions in 1932, falls into two linguistic groups of about equal weight: three millions of Walloons speaking nothing but French, three millions of Flemings speaking nothing but Flemish — or rather "Netherlandish," a derivation of the *platdeutsch* dialects which are spoken also in Holland. Then, not counting little children of course, would come a group of about a million people who speak

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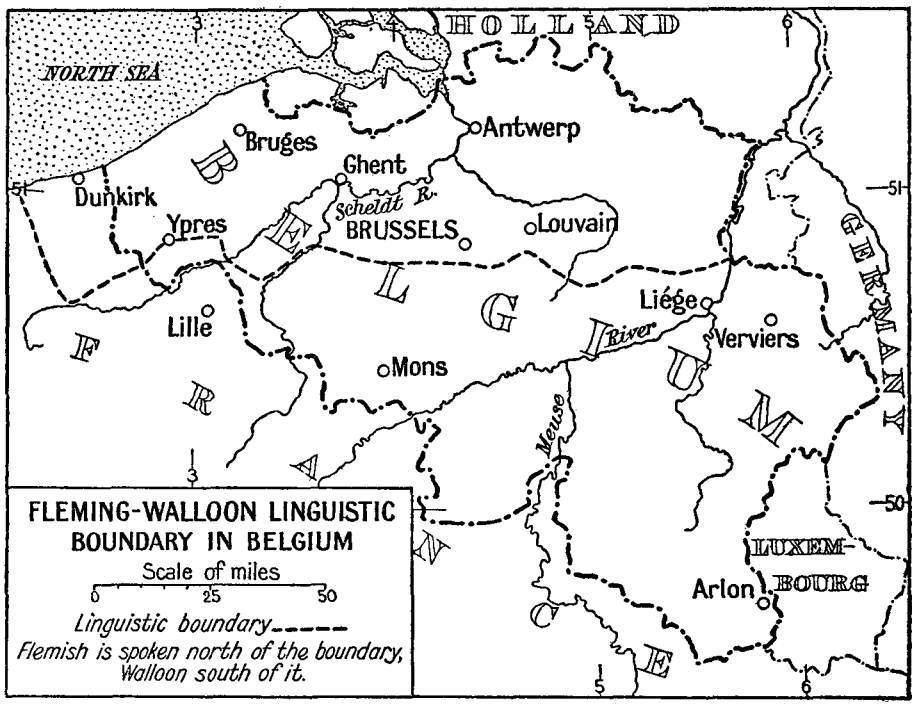
both languages and who, it is worth while noting, are nearly all Flemings; for, with the exception of candidates for the civil service, Walloons will as a rule have nothing to do with the other national language of Belgium.

A few basic facts have to be borne in mind if one would understand the conditions under which the so-called "nationalities question" arises in Belgium. Neither in the direction of Holland, nor in the direction of Germany, nor in the direction of France, is there any coincidence at all between linguistic and political frontiers. Antwerp and Rotterdam have one common language;



so have Herbesthal and Aix-la-Chapelle; so have Tournai and Lille or Amiens. Ignoring — just to make things simpler — the German fringe on the east, there is a sharply defined internal frontier between the French and Flemish languages, and it has not varied greatly in all the years since the thirteenth century. Running roughly from Ypres to Tongres across the battlefield of Waterloo (some twelve miles south of Brussels), it cuts the country virtually into halves. Brussels is a bilingual city with a preponderance of French, though topographically it lies within Flemish territory.

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But from the linguistic standpoint there is one essential difference between the two regions so defined; and it explains most of the difficulties that have arisen during recent years and especially since the war. Wallonia is positively unilingual. In the Charleroi section one might find some few settlements of Flemish factory hands, but they have rapidly become acclimated and their children are more aggressively Walloon even than the Walloons themselves. The natives, for their part, have a dialect closely related to French. They not only speak French as their ordinary language: they refuse to speak any other. Most of them regard it as a sheer waste of time to learn Flemish. They have always objected, and are now increasingly hostile, to any effort on the part of the government to make what is called "compulsory bilingualism" the rule, at least as regards holders of public office, for the two sections of the country.

The situation is quite different across the linguistic frontier, in Flanders. There too, as is the case with Wallonia, the bulk of the population is unilingual, speaking one Flemish dialect or another and using Dutch, which they choose to call "Netherlandish," as their written language. But all the way down from the Middle Ages, when the *leliaerts*, or "men of the fleur-de-lis," quarreled with the *klauwaerts*, who always had a "claw" out for France, there have been "Frenchies," or *frasquillons*, in Flanders — Flemings who have been "gallicized." Down to recent times such people constituted an influential element — they were the dominant portion of the ruling class. The old noble families, the more important business men, the members of the professions, made it a point to exemplify the best French culture, they thought of Flemish only as an illiterate form of speech of which one had to know just enough to get along with one's servants or farm hands. In very general terms, one might almost say that forty years ago the gulf between the French-speaking middle classes and the masses on Flemish territory was as great as was the gulf in the eighteenth century between the nobles in Russia, who could write as a rule only in French, and their *muzhiks*.

Professor Henri de Man, a Fleming by birth and enthusiasm, explains that in the nineteenth century the dominion of the rich business classes on Flemish soil was reënforced by the linguistic domination of French. He writes:

> The origins of the Flemish movement are not to be sought in the fact that there are Walloons and Flemings in Belgium, but in the fact that the Flemish

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masses are under the control of a French-speaking class of property owners. From 1830 on, the Flemish factory hand received his directions in French. The Flemish soldier was drilled in French, the Flemish defendant was tried in French, the Flemish citizen was governed in French, the Flemish tax payer was taxed in French. If the Flemish schoolboy chose to go on from the primary school, he was taught in French. In the eye of the Fleming the Walloon figured, if at all, only because, speaking the language of "the bosses," the office holders, the army officers, the higher clergy, he seemed obviously to be serving as a prop for the dominion of the "Frenchies" — he was not the principal enemy, but the ally of the principal enemy. A matter of common knowledge is the extent to which the supremacy of the French language in Flanders contributed to make nineteenth century Belgium what Marx very properly called 'the paradise of capitalists.' [1]

That state of things prevailed as long as the Flemish masses remained, as an economist in grim humor put it, "a mere exhibit of sociological infusoria." Around 1848 they were not much better off than the Irish. They lay passive, inert, sunk in all the miseries of illiteracy and in a moral as well as material pauperism. Those were the days when only taxpayers beyond a certain amount could vote. Parliament did not contain a single workingman, a single representative of the masses. The political class was made up exclusively of businessmen and aristocrats, all of them speaking one language — French — whether they were Flemish or Walloon. The Belgian Constitution had declared that "the use of either of the languages common in Belgium shall be optional;" but I doubt whether a speech in Flemish was ever delivered in the National Parliament building before the year 1894, when the first suffrage reform bill was passed. Save in the rural hamlets of Flanders, all business was transacted in French. Belgium looked like a French country. Hence an outward appearance of unity; it was correlated, however, with the fact that two great masses of people, Flemish and Walloon, were left almost without mutual contacts and entirely beyond the pale of political life. All that changed, as it had to change, with the abolition of the property basis for the vote (1894), and especially after the World War, when universal suffrage, purged of plural voting, was established by a sort of tacit revolution (1919) that dispensed with formal amendments to the Belgian Constitution.

The Flemings had long since demanded — and partially though inadequately obtained — ameliorations of their wrongs, or at least of their more crying wrongs. But with the advent of univer-

[1] "Nationalisme et Socialisme," Brussels, Eglantine, p. 17. See also Pirenne, "La Belgique et la Guerre Mondiale," New Haven, Yale University Press, p. 31.

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sal suffrage a compact group of *Flamingants* came into being in the Chambers. Then when all but unanimously the Flemish districts declared for "linguistic parity in fact as well as in law," the Flemish movement became an avalanche sweeping all before it. In response to the Flemish slogan of "Flanders for the Flemish," French has been systematically eliminated from the region. Flemish is now the language of the courts in Flanders. Flemish soldiers are commanded in Flemish. Flemish is the one official language in government offices. The University of Ghent, where not so long ago the lectures were all in French, has been "Flemishized" at one fell sweep. The same thing has been done in the lower schools; now all the way from kindergarten to university French is taught on Flemish soil as a mere secondary language, on a footing with English or German.

These changes have not occurred, of course, without vigorous resistance on the part of the French-speaking middle classes in Flanders, almost all of whom now speak the popular dialect but who have all along looked upon the University of Ghent as the stronghold of their traditional French culture. All the same, the so-called "Flemishization laws" were passed by overwhelming majorities the moment that Parliament, under pressure from the Labor Party and the Christian Democrats, had reached virtual unanimity of sentiment on the formula: "Flemish in Flanders, French in Wallonia, both French and Flemish in the Brussels section."

So the language question in Belgium is practically settled (one more law is still required and is about to be passed, regulating the use of languages in civil actions in Flanders). But it would be a mistake to imagine that the question as to the relations between Flemings and Walloons in respect of Belgian institutions has also been disposed of. Quite the opposite, if anything!

As long as the two groups of three millions each, speaking different languages and virtually cut off from each other, were held together politically by a unilingual ruling class, the 1830 system of state centralization, tempered by a certain amount of local self-government, managed to function without too much creaking and groaning. That is no longer the case today. Now in possession of the vote, the deep-lying masses of Flanders and Wallonia have become politically active. It is not simply that there is a solid Flemish group of deputies in Parliament. There are "Flamingants" who would make a mess of it if they tried to

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deliver a speech in French; and there in front of them sit a good third of their colleagues — the whole contingent of representatives from Wallonia — who do not understand a blessed word of what they say when they speak in Flemish.

One need hardly observe that such a state of things is most embarrassing, especially when "burning issues" are up for discussion. When a Flemish deputy takes the floor, the French-speaking deputies make for the exit; and they come back to reply to speeches which they have not heard or not clearly grasped. Whence misunderstandings and "incidents." A first effort to deal with this situation was made by compelling all holders of public office — judges, army officers, civil servants, deputies — to learn the other language. But in that direction one brought up against an energetic *non volumus* on the part of the Walloons, who were resolutely determined not to put up with any "compulsory bilingualism." Now Belgian thought is seeking some *modus vivendi* whereby each of the two groups can "flavor its soup to its own taste," and (aside from special regulations for the Brussels district) some dual system of government which will give equal opportunities to Flemings and Walloons and allow anybody to reach the upper rungs of public service with knowledge of just a single language.

This kind of a solution of course has defects. It really comes down to reducing friction through a reduction in the number of points of contact. Such a course is continually criticized by groups of bitter-enders — French-speaking Flemings, for instance, who bitterly denounce the Walloons (their natural allies in the battle for French culture) for handing them over to the "Flamingants;" and also by groups in Brussels who are afraid that now by one concession, now by another, under pretext now of decentralization, now of home-rule, now of federalism, Belgium will get back to the situation it was in under the Old Régime — to a hodge-podge of regions and localities held together by such tenuous bonds that Belgian unity will be a thing of the past.

Personally, I do not underestimate the soundness of such fears and the seriousness of the objections that can be made to certain formulas that approximate the platform of the Flemish Separatists.[2] There can be no doubt that the establishment of a Free State of Flanders, tied to Wallonia by a personal union under the sovereign, or the erection of any system of absolute

[2] An insignificant minority in the country: 8 deputies in 187.

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federalism which would not pay due regard to centralization in the essential attributes of government, would unchain unmanageable centrifugal forces and spell mortal danger to Belgian unity. But, as was apparent during and after the war, such formulas are never defended by more than a handful of eccentrics; and between the centralized system of 1830 and a deliberately separatist régime there is room for any number of compromise solutions.

I am well aware that even these attenuated solutions arouse alarm for the unity of Belgium, but I think the alarm is exaggerated. People are forever repeating an untruth which was trite as long ago as the days of Napoleon III: that Belgium is an artificial state, a fiction of diplomacy. The truth is that Belgium was born of a revolution, in fact of the first of the liberal revolutions that broke into the treaties of 1815. She was born of a spontaneous uprising of Catholics and Liberals, of Walloons and Flemings alike, and also of the inhabitants of the Limberg (on the right bank of the Meuse) and of the Grand Duchy of Luxembourg (which were torn unwillingly from the Belgian community by the treaties of 1839). It is true that save towards the sea Belgium has no natural frontiers. She is separated from the lower Scheldt by Flemish Zeeland, a Dutch province. The frontier toward Prussia is purely political, running through a district of meadows and pastures. On the south, the line often cuts through an industrial plant where French and Belgian citizens work at the same machines and use the same languages. I have already pointed out that Belgium has no linguistic frontiers as regards her neighbors. It is also true that in spite of the many common traits which willy-nilly do create a Belgian type, the Fleming and the Walloon present appreciable differences which are commonly attributed in the one case to a predominance of the Germanic element, and in the other to the predominance of the Celtic element.

Professor Laurent Dechesne seems to me to strike the sound note when he writes:[3]

> The Walloons and the Flemings complement each other admirably. Quite apart from the traits that distinguish the two races, there are other traits that draw them together. The constant and uniform pressure of identical living conditions has finished by constituting, if not a Belgian race, at least a Belgian type. Varlez in his time noted the particularism that is common to all Belgians — a love of individual independence which at times is carried to refractoriness to discipline. Add to that a conception of life that is realistic rather than ideal-

[3] "Histoire Économique et Sociale de la Belgique." Paris: Sirey, 1932.

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istic. The Belgian has his own ideas as to individual liberty. He regards it less as a sum of positive moral or material advantages than as a manifestation of independence, of impatience of all constraint.

One may argue forever as to whether there is a Belgian nation, whether Walloons and Flemings represent two races or are of a common type. The fact nevertheless remains that within the lines drawn in the treaties of 1839 there is a little country with a population, made up to be sure of heterogeneous elements, but which came together in 1830 in a common resolve on freedom and which feels held together today not only by a common fund of memories and experiences, but by other bonds which are tending to grow stronger rather than weaker. By no means insignificant is the fact that in the Labor Party, which represents about two-fifths of the population of Belgium, Flemings and Walloons belong to the same labor centrals and to the same political organism — whence the tribute of a party adversary to the effect that Socialist unity is one of the pillars of Belgian national unity. And there are other reasons, to say nothing of international considerations, which justify the existence of an independent Belgium. Politically speaking, the country cannot be divided. Brussels, the capital, is located within Flemish territory but is essentially bilingual, and could not be incorporated in a hypothetical State of Flanders without losing its principal reason for existence by that simple fact. Then Antwerp, which is a strictly Flemish city, would lose incalculably if it were to be cut off by a customs barrier from its industrial hinterland, Wallonia. The economic texture of the Belgian state is so firmly knit that powerful interests will always be opposed to the establishment of any system giving undue play to centrifugal forces as regards the essential functions of government. From the moral standpoint, finally, it is, as Renan said, the memory of great things achieved by common endeavor that makes a country. What holds the Belgians together in spite of all differences is their having won free institutions by a revolution in 1830, and their having successfully defended them in the war of 1914–18.

II. FOREIGN POLICY

Political and social struggle is intense in Belgium. It is therefore the common remark that foreign policy is the one important subject not productive of sharp disagreement. Three-quarters of a century of obligatory neutrality have accustomed the Belgians

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to living as it were to themselves, without too much interest in what is going on across their borders. Then again, Belgium is a pacific country, fundamentally, convincedly, in all classes of her population. One might repeat of her today a remark made by von Bülow in his Memoirs in connection with Leopold's visit to Berlin in 1904: "No territorial ambitions, no room for temptation!" Belgium wants nothing but her independence, but on that she insists. To be sure, just after the World War one might note in various quarters an itching for annexations at the expense of Germany or of Holland. But when the fevers induced by four years of occupation had worked themselves out, a rational frame of mind returned, and the one general thought was to make sure of security and to seek it through the guarantees of some new international agreement that would replace the treaties of 1839.

But if the thought was nation-wide and the sentiment common to all Belgians, there was precious little unanimity as to how to guarantee security; and in that connection there were conspicuous differences of opinion as between Flemings and Walloons.

Even when they are Socialists and internationalists, the Walloons, generally speaking, as well as the French-speaking elements in Brussels, have an inclination toward France. The inclination sometimes finds expression in fantastic proposals looking to a customs' union with France or at least to some system of preferential rights which would imply Belgium's abandonment of the most-favored-nation clause. It also prompts the advocacy of a common organization of defense on the eastern frontier in anticipation of another invasion in case of another war, which is held to be as probable now as it was in 1914. In addition there is a little nationalist group, more noisy than influential, which has connections with the *action française* of Maurras and Leon Daudet. Since 1918 that group has occasionally agitated for the annexation of Flemish Zeeland and the Dutch Limberg, for Belgian support of an independent Rhineland, and for a Franco-Belgian mailed-fist policy toward Germany.

Among the Flemings precisely opposite tendencies prevail. Almost all strata of the population (the shop-keeper in Antwerp, the farmer in the Campine, the factory hand in the mills at Ghent or Courtrai) are not only inclined toward peace — that would be true of all Belgians — but are emphatically anti-militarist and hostile to any policy which might drag Belgium into the French orbit. That is far from meaning that the average

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opinion is anti-French; much less that it is pro-German or pro-Dutch. In Flanders the "Catholics," considered as a political party, are in the majority. Many of them would reaffirm for themselves the particularist credo of a Catholic of fifty years ago: "We Flemings do not care to be either French *sans culottes*, or Prussian slaves, or Dutch heretics." Flanders is being rapidly industrialized and the Socialists there have increased in numbers. As a matter of principle, they see eye to eye with their Walloon comrades on all matters of foreign policy, except that they are not influenced to such an extent by ideas coming from France. In Flanders too there is a group of nationalists. It is small, but it exerts an influence on public opinion in matters of foreign policy which is entirely disproportionate to its numbers. These Flemish nationalists are as excessively anti-French as the nationalists of Brussels or Liège are anti-German. So Belgian foreign policy is courted at the two extremes by frankly opposite tendencies; and all Belgian ministries since the war have tried to follow a course midway between them.

The international status assigned to Belgium by the treaties of 1839 — a status of perpetual and obligatory neutrality, under guarantees from England, Austria, France, Prussia and Russia — became a thing of the past in the World War. The idea has therefore been to find some other status. Ready to hand was the League Covenant, which people in Belgium — in spite of many disappointments on which it is superfluous to dwell just here — continue to regard as a real guarantee for small countries. But could not some supplementary guarantee of Belgian independence be found in addition? Merely to return to the pre-war situation was manifestly out of the question. Of the five powers signatory to the treaties of 1839, two had deliberately eliminated themselves — Prussia (Germany) and Austria. Russia was off the map. But England and France were left. Could not their former pledges be again obtained in the form of some defensive agreement?

The Belgian Government applied to them both as far back as 1919. England was in no great hurry to answer. France, instead, accepted at once, and it was announced the following year that the two governments represented respectively by MM. Millerand and Delacroix had approved the military accord which had been signed September 7, 1920, by the chiefs of staff of the French and Belgian armies, and which was entitled: "A Franco-Belgian defensive agreement in case of an unprovoked aggression."

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That agreement was registered at Geneva, though it never became a formal treaty and has no bearing on the international status of Belgium. It was, at bottom, a strictly military arrangement, the technical specifications of which were never published and did not have to be. It was of course inevitable that it should arouse mistrust and suspicion in Germany, and also in certain quarters in Belgium. Our nationalists have done their best to foster this feeling, and in fact it has proved long-lived.

In the thought of the Belgian Government which was in power in 1920 — the three great parties, Catholic, Socialist and Liberal, were represented in it — the defensive agreement with France was to be balanced by a similar agreement with England; and that agreement was almost concluded at the Cannes Conference in 1922.[4] But when those negotiations failed, another solution was sought and in a different spirit. The idea of unilateral agreements (aimed, whatever one says, at somebody) was abandoned. And in 1925 the Locarno Agreements were reached, and under the guarantee of England (Italy joining at the eleventh hour) they constituted, on a basis of mutuality, a "defensive agreement in case of unprovoked aggression."

The formula was identical with the terms of the Franco-Belgian agreement of 1920. In view of that fact, was there any reason for the latter to continue in existence? Had it not been covered, and as it were absorbed, by the Locarno Agreements? Was it not then the part of wisdom, with a view to allaying suspicions once and for all, to say as much, and to give notice that the 1920 agreement had lost all point?

In 1931 the Belgian Socialists made a formal declaration in that sense, and I defended the view personally before Parliament. But the two Ministers of Foreign Affairs of France and Belgium respectively, MM. Briand and Hymans, thought it preferable to make a joint statement on the matter. It may be worth while to quote the statement here in full, for it defines very accurately the relations obtaining between France and Belgium. Said M. Hymans on March 4, 1931: "In view of the series of Locarno Agreements which I have just described and which has been solemnized by an international agreement signed at London with imposing ceremonies, and which in Belgium has been ap-

[4] The proposed agreement included the following: Art. I: In case of a direct, unprovoked attack by Germany on Belgian territory, Great Britain will at once come to the support of Belgium with all her naval, military and air forces. Art. II. Belgium will use all her military, naval and air forces to defend her frontiers in case of an attack or a violation of territory by Germany.

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proved by an act of Parliament in turn signed by the King and his ministers and proclaimed in the *Monitor*, how are we to define the status of the agreement reached in September 1920 by Marshal Foch, General Maglinse and General Buat? In the view of the Belgian Government, in accord with the French Government, its significance is as follows: By its very nature, such an arrangement between chiefs of staff has never had and could not have any other purpose than to prepare and assure in a practical sense the technical prerequisites for giving effect to military coöperation between Belgium and France in case of an unprovoked aggression by Germany. The obligation of such coöperation, already present in principle in the stipulations of the Covenant, is today specified in the most definite manner by the stipulations of the Treaty of Guaranty concluded at Locarno on October 16, 1925, which has defined the undertakings which, along with the Covenant, bind the two nations as regards mutual assistance. I am able to add that the interpretation I have just given is the common view of the French and Belgian Governments."

Although that statement was clear, decisive, and in exact conformity with the facts, it did not result in clearing up, even in public opinion in Belgium, the objections and misunderstandings to which the unilateral character of the 1920 agreement had given rise. Certain nationalist organs, both in Paris and Brussels, continued referring to a "brotherhood in arms," or to a "military alliance" between France and Belgium, "the advance guards of Latinity." There has been no failure to notice, furthermore, that though there is nothing under the Locarno system to prevent the various general staffs from proceeding to similar exchanges of views or to the conclusion of similar arrangements in anticipation of specific eventualities, the Franco-Belgian military agreement has remained the sole specimen of its kind. And in 1931 M. Jaspar's ministry proposed the organization of a system of fortifications which, to use the language of the Minister of War of the day, reproduced in an up-to-date manner "the fortification system of Belgium before the war." But under pressure of nationalist elements in the Walloon districts he was forced to organize the defenses on the eastern frontier as a prolongation of the French system. All this still provokes hostile comment in the Flemish districts, where the one consolation is that Antwerp will not again be made a stronghold: "Let the Walloons dig in if they choose, but let them leave us alone!"

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As regards the general lines of Belgian foreign policy, however, these movements in opposite directions must not be credited with an importance they do not really have. M. Henri Jaspar, who headed the government in Belgium between 1928 and 1931, has recently published a specific and well-documented article on the guiding principles of Belgian foreign policy since the war.[5] He states once more the real significance of the Franco-Belgian agreement of 1920, and rightly points out that the three Ministers of Foreign Affairs who have succeeded each other during these past fifteen years, and who have come characteristically enough from the three great political parties (Liberal, Catholic and Socialist), have all, with minor variations due to circumstances or personal inclinations, been faithful to a policy which was excellently defined by a former Premier, M. Poullet: "Belgium aims to be an active agent of international coöperation in Europe. She attaches the greatest importance to fostering relations of peace and confidence with other peoples. She has not become vassal to any particular group of Powers. She reposes full confidence in the League of Nations and offers her heartiest coöperation in its activities. That policy is stamped with the seal of continuity. It is independent of those political groupings on which our governments are based."

Those words reflect the sentiments of the vast majority of Belgians. Since 1919 Belgium has not been under any obligation to be neutral. But she aspires with increasing energy to be neutral of her own accord. For members of the League of Nations, however, no absolute neutrality is possible. By virtue of the Covenant all nations have not rights only but also duties. In 1914 the Belgians took their arms in hand to fulfill their obligations. Now in peace time, and in the interests of peace, they are ready to fulfill with the same enthusiasm the obligations which the Covenant imposes upon them and which they freely accepted. They may differ with each other on many things. They do not differ on that thing; for the interests of a little country like ours coincide exactly with the general interest.

[5] *L'Esprit International*, January, 1933.

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THE JAPANESE MONROE DOCTRINE

By George H. Blakeslee

THE political principle expressed in the phrase "a Japanese Monroe Doctrine" has been used more and more frequently by the Japanese to interpret and to justify their policy in the Far East. Occasionally other terms are employed to express much the same idea, such as "paramount interest," "special interest," "Asia for the Asiatics," "Japanese leadership," and "the right to live." Whatever the name, a fundamental doctrine or policy has developed, and it constitutes a major factor in the affairs of Eastern Asia; it goes far to explain Japan's specific actions in China as well as her general attitude toward the Powers in matters concerning the Far East.

The Japanese Government has made official announcement of this Japanese Monroe Doctrine. "Japan is responsible for the maintenance of peace and order in the Far East," is the statement of the Japanese delegation in its report of February 21 to the Assembly of the League of Nations. Count Uchida, the Japanese Minister for Foreign Affairs, in his address to the Imperial Diet on January 21, referred to Article XXI of the League Covenant, which recognizes the validity of the Monroe Doctrine under the designation of a regional understanding, and said: "The League of Nations Covenant very wisely provides that regional understandings shall be respected. In this sense, our Government believes that any plan for erecting an edifice of peace in the Far East should be based upon the recognition that the constructive force of Japan is the mainstay of tranquillity in this part of the world." Although this phraseology is vague and diplomatic, the intent of the Japanese Government to claim the rights of a Monroe Doctrine for the Far East is perfectly clear. Viscount Ishii, when acting as the special ambassador of Japan at Washington in 1917, spoke of a Monroe Doctrine for Asia and asked Secretary Lansing to recognize that Japan had a "paramount interest" in China. In his recently published Memoirs, this distinguished Japanese statesman writes: "From our point of view, Japan possesses interests superior to other Powers in China as a whole, especially in the contiguous regions, much as the position of your country in the Western Hemisphere, especially in Mexico and Central American countries."

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To interpret correctly Japan's present conduct in China, and to forecast her probable action in the future, it is essential to know what the Japanese have in mind when they speak of a Japanese Monroe Doctrine. What are the rights which Japan asks other Powers to recognize and respect? And the further query then arises whether after all the claim of a Monroe Doctrine for the Far East is really justified.

The idea of a Monroe Doctrine for Asia arose in Japan shortly after the Russo-Japanese War of 1904–05, and has been emphasized by the Japanese during the periods when they have been carrying on an aggressive foreign policy. During the World War, when Japan succeeded in driving Germany out of China and the north Pacific, it had a wide acceptance. Afterwards, especially following the Washington Conference, there was a period of a few years during which it gave way to a "friendship policy" toward China. Little was heard at that time of the Japanese Monroe Doctrine. But during the present acute Sino-Japanese controversy it has once more been brought forward and with added insistence.

According to a few writers the area within which the Japanese Monroe Doctrine is applicable includes the entire continent of Asia. A larger number would limit it to the countries of the Western Pacific. But for all practical purposes it represents the policy of Japan toward China in general and Manchuria in particular. The various principles which are included within this extremely elastic doctrine may be summarized under the headings self-defense or security; Pan Asia; special rights and interests; leadership and guardianship; and the right to live, or economic penetration.

On the principle of self-defense Japan is opposed to any territorial aggression in China by any foreign state. She fought two wars to drive Russia from Southern Manchuria and Germany from Shantung, and she obtained from the Chinese Government in 1915 a declaration that "Hereafter no port, bay or island along the coast of China will be ceded or leased to any foreign country." Recently Viscount Ishii wrote as follows in an article in FOREIGN AFFAIRS: "Generally speaking, our policy in China has been based upon the belief that the establishment of an *imperium in imperio* upon her soil by any powerful third nation or group of nations is not only derogatory to her integrity but is also incompatible with our own security. In this we have been

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actuated by the same principle incorporated in the Monroe Doctrine." [1]

"Pan Asia," or corollary slogans such as "Asia for the Asiatics" and "Back to Asia," are representative of a policy which has widely different meanings. As used by some Japanese it is defensive; its aim is to protect Asia from the attacks or encroachments of Europe and America. With others it is primarily cultural and commercial. But it is sometimes used in an aggressive sense; all European and American political influence should be eliminated from Eastern Asia, and the entire region should be organized under Japanese political control. In the beginning, however, due to Japan's victory over Russia, Pan Asia represented a sentiment genuinely shared by all the nations of the continent. At one time the movement received the support of some of the leading Chinese, notably by Dr. Sun Yat-sen. But today it has no reality outside of Japan.

The claim that Japan possessed "special interests" and a "special position" in China, particularly in Manchuria, has long been maintained by practically all Japanese. Some of the Powers, by treaty and special agreement, have recognized the validity of this general contention. Yet, notwithstanding the frequent definitions and explanations which have been given, the real meaning of these terms, as the Lytton Report points out, is somewhat obscure; it is not clear what privileges and responsibilities they would give Japan in China. In the famous Lansing-Ishii Agreement of 1917, after long negotiations as to the exact phraseology, the following wording was finally adopted: "The Governments of the United States and Japan recognize that territorial propinquity creates special relations between countries, and, consequently, the Government of the United States recognizes that Japan has special interests in China, particularly in the part to which her possessions are contiguous." It shortly became evident, however, that Secretary Lansing and Viscount Ishii, while they agreed upon the same phrase, had entirely different concepts in mind. Secretary Lansing understood that the expression referred particularly to the commercial and industrial advantage which Japan enjoyed in China due to its geographical position, and that the words had no political significance. Viscount Ishii, however, has insisted that these special interests of Japan "were principally political." In his recently published Memoirs he states that they

[1] FOREIGN AFFAIRS, January 1933, p. 227.

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give to Japan a heavier responsibility concerning China's problems and a greater right to express herself regarding them than have the states of Europe and America.

The majority of Japanese evidently believe that Japan's special interests cannot be limited to material investments and concessions nor to the advantages accruing from geographical situation, and that Japan's special position gives her vital but intangible rights and responsibilities in China. Some claim that Japan has a status of hegemony or paramountcy in China and the right to maintain peace and order. This point of view so impressed the Russian Ambassador in Tokyo in 1917 that he wrote confidentially to his home government: "The Japanese are manifesting more and more clearly a tendency to interpret the special position of Japan in China, *inter alia*, in the sense that other Powers must not undertake in China any political steps without previously exchanging views with Japan on the subject — a condition that would to some extent establish a Japanese control over the foreign affairs of China." The degree of control in China as a whole, both political and economic, to which the Japanese Government (at least in 1915) believed that it was entitled on account of Japan's special position, was made evident by the Twenty-One Demands, particularly the famous Group V, which in the opinion of the high Chinese officials would have placed "the Chinese State in a position of vassalage through exercising a control over important parts of its administration and over its industrial and natural resources, actual and prospective." In northeastern China the special position desired was shown by the Demands of Group II which would have made South Manchuria and Eastern Inner Mongolia an economic sphere, where Japanese would have had a virtual monopoly of railroad construction, public loans and foreign advisers. A further effort to obtain recognition of Manchuria and Mongolia as a Japanese sphere was made in 1919–20, when a request was made that these regions should not be included in the new banking consortium on the ground that Japan had "very special relations" with them. Although more liberal Japanese leaders, such as Baron Shidehara, have interpreted the "special interests" and "special position" in such a way as to be consistent with the Open Door and the integrity of China and with the legitimate rights of China and the foreign Powers, many of the nationalistic and military leaders have used these phrases, and still use them, as justification for attempting to obtain for

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Japan such extensive and exceptional privileges and such rights of supervision as would necessarily impair the sovereignty of China and the provisions of treaties.

Another principle included within the Japanese Monroe Doctrine is the right of Japanese leadership in the Far East. Although this claim to leadership has been made by many prominent Japanese, from Marquis Okuma to the officials in the present government, it received especial emphasis in 1930 following the friendly addresses in Tokyo of Ambassador Castle, who compared the purpose of Japan to maintain peace in Eastern Asia with the purpose of the United States to maintain peace in the western hemisphere. From the press discussion which followed, as well as from the comments and statements of various public men, it appears that the Japanese people as a whole believe that Japan is entitled to a position of leadership in the Far East which other nations are under obligation to respect. The result of recognizing this position might be largely sentimental and involve no limitation upon the diplomatic action or initiative of other states. But some Japanese have certainly interpreted this right of leadership as implying that other Powers should take no independent action in China without previous consultation with Japan.

The "right to live" doctrine, or the right to economic expansion, is interwoven with the political ideas which make up the Japanese Monroe Doctrine. When the Japanese apply the principle to Manchuria they call it the "life line" doctrine, since they regard the resources of that region as necessary for the economic life of their country. In discussing these needs, the great majority of Japanese statesmen and writers have for years insisted that they have no territorial ambitions. Yet many of them also state that Japan must expand. The expansion which apparently the majority desire is an expansion of economic and political control, without the extension of Japanese sovereignty. This economic expansion, in the view of Japanese liberals, including the Shidehara school of politics, involves no aggression and aims only at close economic coöperation between Japan and China, an economic entente brought about by friendly mutual agreement. The "right to live" doctrine, however, as now presented, demands more than this; it claims the right to share in the development and use of the natural resources of China, particularly in Manchuria, whether China gives her consent or not. This claim is based, in Mr. Matsuoka's words, upon the "legitimate

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rights of a nation which is compelled to find an outlet somewhere." A former Premier of Japan, Mr. T. Hara, expressed this idea in 1921 by an unusual interpretation of the Open Door: "By 'open door' I do not mean a complete throwing down of national boundary stones. What I have in mind is the removal of the economic insecurity of some peoples by extending to them the opportunity for free access to the world's resources, eliminating other artificial economic barriers, and adjusting as much as possible the inequality arising from the earlier discrimination of nature and of history." Dr. Y. Takaki, Professor in the Tokyo Imperial University, a particularly able and fair interpreter of Japanese-American relations, has recently written, in explanation of the current Japanese point of view, that the idea of an economic bloc uniting Japan and Manchukuo is "a *sine qua non* of the 'Japanese Monroe Doctrine.'" General Sadao Araki, the present Minister of War and the intellectual leader of the elements now in control in Japan, has recently stated that, since "mankind has the right to live upon the earth," no country with abundant resources has a right to deny these to another country which is overcrowded and is insufficiently endowed by nature.

From this survey it is evident that the Japanese Monroe Doctrine contains a number of different political principles. The precise meaning of any one of them, or of the general and inclusive Doctrine itself, cannot be stated exactly; no official definitions have been made. The content in each case must be judged by the statements of the political leaders and the writers who appear to present the dominant Japanese thought, and by the action of the Japanese authorities. But at least it is clear that the Japanese Government has a Japanese Monroe Doctrine for the Far East, and that it claims a position for Japan which it regards in a general way as comparable to that occupied by the United States in the American hemisphere.

In fact, however, there is only a slight similarity between the Japanese and the American Monroe Doctrines. The American Doctrine, as officially defined, is solely a policy of self-defense. It is limited to expressing the opposition of the United States to any non-American state seizing territory or political control in this hemisphere. It does not claim special interests, hegemony, or economic privileges. The Japanese Doctrine, to be sure, does contain this same principle of self-defense, for it admittedly opposes territorial or political encroachments by non-Asiatic

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powers. But this political principle is merely a small part of the Japanese Doctrine.

It is really the Caribbean policy of the United States which the Japanese have in mind when they speak of the American Monroe Doctrine. Their references are all to the relations of the United States to Mexico, Cuba, Panama and Nicaragua. The Caribbean policy was first officially differentiated from the Monroe Doctrine by Secretary of State Hughes in 1923. But from the beginning of our history the American people have felt both a greater interest in, and a greater responsibility for, the Latin American republics in this region than for those more distantly situated.

Between the Japanese Monroe Doctrine and the American Caribbean policy there are both similarities and differences. There is a certain similarity between the general situation of Japan in relation to Manchuria and China and of the United States in relation to Mexico and the countries of the Caribbean. Both the United States and Japan are strong Powers facing countries which are weak in political organization and military strength and which are torn by frequent civil war. Both are capitalistic and industrialized, in contrast with their neighboring lands which are essentially agricultural. Both have shown administrative and organizing ability of a high order. Both have national interests, strategic and commercial, which they regard as vital — the United States, the Panama Canal; Japan, the South Manchuria Railway. Both have very large investments: the United States approximately $3,293,000,000 (1929) in Mexico and the republics of the Caribbean (not including Venezuela or Colombia); Japan between $800,000,000 and $1,000,000,000 (the yen reckoned at par) in Manchuria.

In view of these factors, the United States and Japan have developed policies which have certain points of likeness. Both are determined to prevent foreign aggression or control in the respective regions in which they are especially interested. Both have announced that they feel a measure of responsibility for a minimum degree of peace and order — a responsibility which other Powers have appeared to recognize in the case of the United States, but have not recognized in the case of Japan. Both propose to give reasonable and necessary protection to their vested interests and to their nationals and their property. And both have used military force from time to time to carry out their policies.

The Japanese insist that their military action in Korea and in

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Manchuria and northern China has also been similar to the military action of the United States in the Caribbean. They maintain that they have merely been applying the "police power doctrine" of President Theodore Roosevelt. They claim that in overthrowing the Chinese Government in Manchuria, Japan was abating a neighborhood nuisance, as the United States did when it overthrew the Spanish Government in Cuba; that in recognizing the independence of Manchukuo, they were following the example of the United States in its recognition of Panama; and that their entire course of action in Manchuria has been in line with the American policy in the Caribbean region as manifested by American military interventions in Mexico, Nicaragua, Haiti and the Dominican Republic.

Although there are certain similarities between the respective positions, policies and actions of the United States and Japan there are also decided differences. The position of Japan in Asia in certain important respects fails to parallel that of the United States in America. The United States is a vast territory with a great population *vis-à-vis* a dozen Caribbean republics, each with a relatively small area and population. Japan, on the other hand, is a country with a relatively small area and population *vis-à-vis* the vast territory and great population of China. An attitude which therefore appears natural for the United States to take toward the Caribbean states does not appear natural for Japan to take toward China.

As to the principles contained in the Japanese Monroe Doctrine, some of the most important of them have no counterpart in the American policy. The doctrine of the right to live, the life line, and economic expansion are exclusively Japanese. The United States does not need to use military force to induce the Caribbean republics to permit American capital to find profitable investment. The doors are voluntarily wide open. It does not possess or seek an exclusive economic concession in any Latin American republic; it has never asked that the railroads, the foreign capital, or the mineral resources should be reserved for American citizens. Nor has it demanded that any Latin American country should open its natural resources against its will. Nor do there appear frequent statements in the American press that the status quo in the Caribbean should be changed to the economic and political advantage of the United States.

The outstanding instances of American military action in the

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Caribbean, whatever points of similarity they may have to those of Japan in Manchuria, certainly differ from them in important respects. Even in regard to Panama, where the early recognition by the American Government has been severely criticized both at home and abroad, there were important differences: the United States at least violated no international treaties, and acted in accordance with the desires of the local population. In Cuba the vital fact is that the United States, after driving out the Spanish Government at the cost of a war, and then organizing a new administration, turned the island over to the Cubans and withdrew. If the Japanese should follow the same course in Manchuria — if after establishing a new government they should restore the political and economic control of the country to its people, and then withdraw under terms and conditions similar to those under which the United States withdrew from Cuba — world opinion would be much more favorable to Japan. In Mexico, after the United States had felt it necessary to effect a military occupation of Vera Cruz in 1914, it accepted the proffered mediation of Argentina, Brazil and Chile, and, as a consequence, withdrew its troops. The following year, when conditions in Mexico were anarchic, the American Government convened a conference of six Latin American states and agreed with them upon joint action. Later, when the Mexican Government entered upon a definite course of legislation — aimed at Americans — to restrict foreign economic opportunities in Mexico, the United States Government accepted the legislation, provided only that it should not be retroactive or confiscatory.

In contrasting the American Caribbean policy and the Japanese Monroe Doctrine, it is particularly important to consider the essential purposes of the two. On examination they appear fundamentally different. Although not every action taken by the United States in the Caribbean can be completely justified, its policy, nevertheless, particularly in recent years, is clear. In addition to the usual duty to protect American life and property, it aims to help the backward Caribbean countries to establish and maintain conditions of stability and prosperity. The United States does not wish to seize territory, directly or indirectly, or to assume political or economic control. And when it has seemed necessary to intervene in some revolution-tossed land, it has effected the necessary reorganization and has then withdrawn. This has been its history, frequently repeated, in Mexico, Cuba,

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Nicaragua, Haiti and the Dominican Republic. The policy of the United States is to maintain the status quo in the Caribbean. The Japanese Monroe Doctrine, if it may be judged by the action of the Japanese Government and the statements of many Japanese leaders, has aimed to overthrow the status quo in Manchuria to Japan's own advantage. As for the present Manchurian situation, there is no parallel in the Caribbean. To make one, it would be necessary to imagine that the total population of the ten Latin American republics in this region (not including Colombia and Venezuela) was all in northern Mexico. If the United States should make an unjustified military occupation of this imaginary northern Mexico containing 30,000,000 people, overthrow the administration, organize a movement for independence, set up a new government, control it by several hundred American officials and advisers, maintain it by an American army, extend its territory by a military campaign, and take over its railroads and public utilities — then the United States would be doing in the Caribbean essentially what Japan has done in Manchuria, a course of action which many Japanese justify on the basis of their Monroe Doctrine.

Finally, is there any justification whatever for a Japanese Monroe Doctrine? The answer depends upon the definition of that Doctrine. To certain interpretations of it American statesmen have given definite approval. It was President Theodore Roosevelt who suggested to Viscount Kaneko in 1905 that Japan should establish a Japanese Monroe Doctrine for Asia; but he clearly had in mind merely the protection of the Orient from European encroachments. Secretary Bryan in 1915 officially recognized that "territorial contiguity creates special relations between Japan and these territories" (South Manchuria and Eastern Inner Mongolia); and Secretary Lansing in 1917 recognized that "Japan has special interests in China, particularly in the part to which her possessions are contiguous." Ambassador Castle in 1930 said that "Japan must be and will be the guardian of peace in the Pacific." These and other similar recognitions of certain principles contained in the Japanese Monroe Doctrine were all postulated upon the assumption that the Doctrine would not be used for aggressive purposes.

For many of the claims which the Japanese are making upon the basis of their Monroe Doctrine there appears to be no adequate justification. They are not entitled to exercise paramount

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interest in China, or guardianship, or leadership to such a degree as to interfere with the free initiative of other Powers. In some respects, to be sure, Japan has a great superiority over China; but in other respects she is inferior, particularly in potentialities. Should China, with her vast territory, her great population, and her able people, develop a stable and reasonably strong government, then the Japanese Monroe Doctrine would at once disappear; for China has the making of a world Power greater than Japan.

There are other Powers also which have close and important relations with China, long antedating those of Japan. They cannot be expected to surrender these and merely follow Japan's leadership. Russia has long been deeply interested in its neighbor to the southeast. Great Britain has far greater investments in China proper than has Japan. The United States also regards itself, in the words of Secretary Stimson, "as one of the leading powers on the Pacific Ocean," and "has rested its policy upon an abiding faith in the future of the people of China." America's long and cordial friendship for China, and her great educational and social services to that country, have given it an important position in the discussion of Chinese problems. In view of the historical position of these Powers, there is no justification for a demand that Japan alone should be recognized as the guardian of China.

A Monroe Doctrine for Eastern Asia, such as a liberal Japanese Government would probably formulate, one in harmony with the spirit of Japan as revealed in the period following the Washington Conference, might well receive the recognition of other Powers. The happiest solution of the Far Eastern problem, as the Lytton Report has pointed out, would be a cordial coöperation between China and Japan, based upon mutual agreement and good will. But a Japanese Monroe Doctrine exemplified by the military advance through Manchuria and Jehol, in the face of a hostile China, without regard to the position of other Powers, and in violation of international treaties, is difficult to justify. In fact, the present issue between Japan and the other states of the world boils down in large measure to Japan's demand that she be granted a free hand in Manchuria and to the refusal of the League of Nations and the United States to accept the full consequences of what the Japanese call their Monroe Doctrine.

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LIBERIA, THE LEAGUE AND THE UNITED STATES

By W. E. Burghardt Du Bois

I REMEMBER standing once in a West African forest where thin, silver trees loomed straight and smooth in the air. There were two men with me. One was a black man, Solomon Hood, United States Minister to Liberia; a man of utter devotion, whose solicitude for the welfare of Liberia was like a sharp pain driving him on. And he thought he had found the solution. The solution was the white man beside us. He was a rubber expert sent by the Firestone Corporation of the United States to see if rubber could be grown in Liberia.

Those were rather ticklish times in the rubber situation. England was attempting to corner the world's production and prices were shooting up. Henry Ford flew south to seek plantations. Edison experimented with new plants. Firestone sent his representative to Liberia.

Most people cannot easily visualize the peculiarly helpless position of a small outland in the modern world of industry. It seems that a rich country like Liberia ought easily to be self-supporting and to secure machinery, experts and modern luxuries in return for its raw material. But this is much more easily said than done. In the first place, it must raise the raw materials which the world at the moment demands, and it often finds that the price of its product is so manipulated that absolutely no dependence can be put on it. In fact, between changing and disappearing markets, freight-carrying monopolies, high cost of machinery, and absence of expert knowledge, Liberia, like many other small, isolated countries, has been in continual financial difficulties. She needs expert advice; but expert advice from white men, accompanied by invested capital, means loss of political power. And Liberia is jealous of her independence — jealous and proud. Indeed, the record of peace, efficiency and ability made by this little poverty-stricken settlement of the rejected and despised, sitting on the edge of Africa and fighting the world in order to be let alone, is, despite querulous criticism, one of the most heartening efforts in human history.

Five times Liberia has been tempted to seek salvation in loans of foreign capital. In 1870 a loan of $500,000 was placed in Lon-

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don, but actually she received less than $75,000, for which she eventually paid nearly $500,000 with interest. For a long time Liberia did not again consider borrowing money. Meanwhile she was held up to criticism and ridicule as an undeveloped country. European Powers, which were partitioning Africa, began to press in upon her. France sliced off territory on one side and England on the other. Both cut off her hinterland, which ought to have extended back to Lake Chad. Then, Sir Harry Johnston, representing English interests, came in 1906. He formed the Liberian Development Company, which was to invest £100,000, and Liberia was to guarantee the bonds. All that came of this investment, except increased debt for Liberia, was proof, through the planting of this little forest where I stood, that a good rubber tree would grow in Liberia; and this was the report of the Firestone expert in 1923.

Just before the World War industrial aggression began again. The Sunlight Soap interests in Great Britain tried to get a concession which would monopolize the palm oil. When Liberia resisted, England began to press for payment of Liberian debts which had been defaulted. Sedition spread among the frontier force, and it looked as though France or England was on the point of seizing the country. Liberia moved swiftly. She sent a delegation to America, which appealed to Booker T. Washington. Mr. Washington appealed to Theodore Roosevelt. Theodore Roosevelt needed the Negro vote, and he appointed a Liberian commission. The commission went out and made negotiations for a refunding of the Liberian debt. A new loan of $2,000,000 was raised at 5 percent. It looked as though at last Liberia had got a start, because, while a Financial Adviser with large powers was the string attached to this new loan, nevertheless there was no American disposition to interfere with Liberian independence.

Then suddenly came the World War and smashed all these dreams. Liberia, despite her large German trade, was forced to declare in favor of the Allies. One inducement was a loan promised her by the United States Government. Before this went through, however, the war was over and Congress refused to confirm the loan. Again Liberia was on the rocks. She sent another delegation over to the United States, headed by President King, but little was accomplished.

For five or six years Liberia staggered on during the reaction from the World War, but finally began to make progress between 1922 and 1925. "The economic and financial future of the country

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looked brighter than for many years." [1] But she was handicapped. She needed roads, machinery, local industry. She still feared foreign capital, but she needed it.

Then came Solomon Porter Hood, as United States Minister. He knew Firestone slightly. He corresponded with him. The rubber situation developed. King was reëlected President, and at his inauguration, as a gesture of good will, I was designated by cable to act as Special Minister Plenipotentiary and Envoy Extraordinary. The appointment was purely ornamental, but I did all I could to coöperate with Hood and Africa and Liberia and tell them of the tremendous interest which American colored people had in them.

Firestone determined to enter into contract with Liberia to start rubber plantations, and began negotiations. On my return to the United States I wrote to him. I know what modern capital does to poor and colored peoples. I know what European imperialism has done to Asia and Africa; but, nevertheless, I had not then lost faith in the capitalistic system, and I believed that it was possible for a great corporation, headed by a man of vision, to go into a country with something more than the mere ideal of profit. I tried to state this to Mr. Firestone. I intimated that the one thing above all which he must avoid was taking capital into a small country and putting it under the control of officials who despised the natives and organized ruthless exploitation. I tried to point out that by using trained American Negroes he might avoid this situation in Liberia, and have a more normal development by putting in the hands of people of the same race, local and immigrant, such power over the invested capital as would divert it, at least to some extent, toward ends of social welfare as well as towards profit. I had no reply to my letter. Perhaps it never got by the assistant secretary. When I heard of the terms which Firestone demanded in Liberia my heart began to fall. The Liberians resisted, and if the leading officials had had their way, the contract would never have been signed.

Firestone presented a contract which gave his company the right to select wherever he wished in Liberia one million acres of land at a nominal rental of only 6 cents an acre, and he insisted that because of certain public improvements Liberia must have more money; particularly, a modern harbor must be built, so that passengers and freight would not have to take that gloriously

[1] R. L. Buell, "The Native Problem in Africa," Vol. II, p. 836.

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exciting but dangerous and costly ride in the surf boats over the bar. This insistence upon a loan increased the opposition in Liberia, but the Firestone Company refused to come on any other terms. Moreover, Liberia recognized that her only protection against the territorial and economic aggression of France and England lay in the attitude of America, and she was certain that if an American loan were made the United States would protect Liberia in order to safeguard the loan. In spite, therefore, of bitter opposition on the part of many high officials, and without the knowledge of even some of the cabinet officers, the Firestone contract was signed in September 1926. Raymond L. Buell says: "In response to the question why they agreed to this loan in the face of early opposition and manifestly unfavorable terms, all of them gave the same reply: The State Department of the United States told us to accept this loan." [2]

The only concession that Liberia apparently obtained was that the loan should be made not by the Firestone Corporation but by some other American corporation. That was easily adjusted. In came the National City Bank. And when the mists cleared away, the "Finance Corporation," which made the loan, the Firestone Rubber Company, and the new local bank, known as the "United States Trading Company," all in reality represented one and the same investment of capital by Firestone. Liberia was to receive a 7 percent loan of $2,500,000, with the right to increase this eventually to $5,000,000. The first instalment was marketed at 90, giving $2,027,700 in actual receipts.

This sum was expended to repay $1,146,715 in outstanding 5 percent bonds, $175,000 in internal bonds, mostly at 3 percent, and to meet various other debts. Of the balance, $11,730 was spent for health and sanitation and $156,439 for public works. There is still today available from this loan a balance of $367,466, which the Firestone interests have not yet advanced. In addition to this, a corps of financial experts was to be engaged consisting of a Financial Adviser at $12,500 and five assistants at a total annual salary of $32,000. These salaries were to be paid by the Liberian Government.

The local Firestone bank was to act as financial agent. The loan charges, including interest on the bonds, amortization expenses, and salaries of fiscal officers, in 1928 absorbed 20 percent of the total revenue of Liberia; in 1929, 26 percent; in 1930, 32 percent;

[2] Buell, *op. cit.*, p. 845.

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in 1931, 54.9 percent; and for 1932, according to an official statement, "nearly the whole revenue intake of the government." A member of the American Legation in Liberia has estimated that Liberia is really paying 17 percent for the loan; and a high official of the State Department in the United States was so alarmed when he understood the details of the contract that he held up a somewhat similar engineering contract in Abyssinia, and said: "There's not going to be another such contract as the Liberian one while I am here." [3]

The sudden influx of cash to Liberia in 1926 started a boom. The country was stirred as never before by a vision of prosperity. Mr. Buell, who was there then, wrote: "Business has begun to 'hum.' More hard money is in circulation than ever before. While most of this goes to private interests, the government has already also secured a few thousand dollars a year additional revenue. Many American missionaries and educators are enheartened; they now believe that Liberia will survive." [4]

The American financial experts allowed and encouraged expansion. Salaries were raised, including that of the Financial Adviser, who under the arrangements for the debt service before the advent of the Firestones had been getting $5,000; that was now raised to $12,500. The salaries of Liberian officials were increased. "The total government budget in 1925–26 was $859,464; in 1927–28, $1,529,840; in 1928–29, $1,654,869. In other words, there came a period of inflation and boom." [5] Moreover, other expenditures allowed by the financial experts were not wise. "The distressing thing is that the above mentioned amount of $156,000 [for public works] has been squandered as a result of the deplorable advice given to the Liberian Republic by the Financial Adviser at that time in office." [6] This expert was subsequently transferred to Haiti by the United States Government to take care of that country's American debt.

Hardly had apparent prosperity come to Liberia than the shadow of the Great Depression began to move across the world. The British rubber monopoly broke. The price of rubber fell from 72 cents to 5 cents. Far from needing a million acres, Firestone

[3] Manuscript Report of Miss Anna Graves. I am deeply indebted to Miss Graves for the privilege of examining her collection of League documents regarding Liberia.

[4] Buell, *op. cit.*, p. 836.

[5] League of Nations. "Request for Assistance submitted by the Liberian Government." (1932. VII. 7, p. 33. Official No. C. 469. M. 238, 1932, VII.) Referred to hereafter as League of Nations Report.

[6] *Ditto*, p. 30–31.

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took only 50,000 and cut wages of his laborers in half, from a shilling to 6 pence a day; he did practically nothing about the promised $300,000 harbor. As the commercial and industrial situation began to tighten, opposition began to seethe in Liberia. The former opponents of the loan became vocal. It was pointed out by the opposition that President King was getting rich, not simply by his connection with the Firestone project, but by other transactions; and high government officials were implicated with him. Spanish and French interests appeared in Monrovia and were said to have large sums in cash to buy labor for French Gabun and Spanish Fernando Po.

Now labor supply for modern industry in Africa always tends to approximate slavery because it is bound up with the clan organization of the tribes. In the African tribe there is no free labor capable of entering into an individual labor contract. Only the tribal chief can assign members of the tribe to work, and this brings widespread misapprehension and contradiction. Black Senegalese troops "volunteered" for the French Army during the World War; that means that chiefs were induced to designate black soldiers for use in the World War, but it does not mean that these individuals necessarily wanted to go. They obeyed — had to obey — the tribal mandate. Thus, the Liberian Labor Bureau established in 1912, but not operative until 1926, supplied labor for the Firestone Company; and for this labor fees were paid the chiefs. As Mr. Buell says: "Under this system, which is similar to that which has produced wholesale compulsory labor in other parts of Africa, the Firestone Plantations Company is making it financially worth while for the government and for the chiefs to keep the plantations supplied." [7]

But Liberia has a comparatively small population, and when France and Spain began to bid for labor the Firestone Corporation saw its labor supply threatened with diminution and its business costs rising. It therefore, to put it mildly, offered no objection to the accusations heard in Liberia against government officials in connection with slave-trading. These accusations became so sharp that finally Liberia was compelled to take notice, especially when the United States drew her attention to these charges in June 1929; and in September of that year she offered to allow an International Commission of Inquiry, under the League of Nations, to investigate conditions.

[7] Buell, *op. cit.*, p. 834.

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The League of Nations appointed a committee, headed by Dr. Cuthbert Christy, an Englishman. A colored American, Dr. Charles S. Johnson, appointed by President Hoover, and the grand old man, the Honorable Arthur Barclay, one of the finest products of Liberia, were the other two members. This Commission made its report in 1930.[8] On the whole it was thorough and frank. The Commission made a careful investigation and proved that domestic slavery existed among the more primitive Liberian tribes; that there was pawning of children; and especially that laborers were recruited among the tribes and sent out of the country to the French colony of Gabun and to the Spanish colony of Fernando Po. Military force had been used, and President King, Vice-President Yancy and some other officials were involved in the accusations of profit-sharing from the proceeds of this slave-trade. Members of the frontier force were used in obtaining this labor, and also in extortion and illegal taxation.

The Report of the International Commission of Enquiry was filed at Monrovia on September 8, 1930. The legislature met the second Monday of October, and President King gave his annual message October 30. After the report and various petitions had been received, a select committee of the House of Representatives reported December 2, and on adoption of that report President King, Vice-President Yancy and other officials were retired from office. Edwin Barclay, Secretary of State, nephew of Arthur Barclay, one of the Commission, was selected to fill out the unexpired term, and took the oath on December 3.

President Barclay had not been involved in the charges concerning slave-trading, although he was a member of President King's cabinet. The only mention made of him in the report was as protesting against some of the slave-trading activities. He seemed the best man for the position. Considering the power of President King and his friends, Liberia acted as quickly as could be expected. But the United States was singularly impatient. Before President King was retired, the Secretary of State on November 17 sent a protest urging action. President King presented this protest to the legislature. Thereupon the Legislature passed acts prohibiting the export of contract labor overseas; providing for the reorganization of the hinterland; forbidding pawning;

[8] League of Nations: International Commission of Enquiry in Liberia. "Communication by the Government of Liberia, dated December 15, 1930, transmitting the Commission's Report." (1930. VI. B. 6. Official No. C. 658. M. 272. 1930. VI.) Referred to hereafter as the Christy Report.

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establishing a public health and sanitary service; and permitting unrestricted trade with the interior.

Despite this, the United States refused to recognize President Barclay and united with the British and German legations on January 21, 1931, to present notes to the Government of Liberia demanding that it ask the Council of the League of Nations to appoint an International Governing Commission to take over Liberia and administer the affairs of the country. President Barclay replied that he could not do this without violating his oath of office, but that he would ask the League of Nations to nominate capable persons to help in reorganizing the country. The League thereupon appointed a special committee of the Council, on which a representative of the United States Government, Mr. Samuel Reber, was to sit.

Meantime, the full force of the depression had struck Liberia. Prices fell. The value of Liberian exports dropped from $1,497,214 in 1927 to $856,759 in 1930. Salaries of Liberian officials were reduced on three occasions (in one case more than 50 percent), and the Liberian Secretary of State said in 1932 that "most salaries had not been paid at all during the last seventeen months." At the same time, the debt service was absorbing larger and larger proportions of the whole income of the country.

Liberia had asked that experts be appointed who were not from countries which had colonies. She wanted people with open minds. But the League ignored that request, and March 3, 1931, appointed M. R. Brunot, a Frenchman, an expert in general administration; M. Th. Ligthart, a Dutchman, a financial expert; and Dr. M. D. Mackenzie, an Englishman, an expert in medical and public health questions. This committee of experts studied documents during March and April. They reached Liberia June 13 and left July 26, 1931, working "throughout in close contact with the Liberian Government," which "endeavored to assist us and supplied us with such information as it possessed." [9] Their report consisted of a short, general description of the land and people and the form of government. It is notable that of the 50 pages of report and appendices, only one-third of a page is devoted to the question of slavery, practically the whole report being on economic conditions and the Firestone contract. With regard to the abolition of slavery and forced labor it was written: ". . . the experts on their arrival in Monrovia found that the

[9] League of Nations Report, p. 9.

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Liberian Government had already passed laws forbidding slavery and forced labor, and actually the experts found that the exportation of forced labor had been suppressed." [10]

The United States, in the meantime, had complained that native witnesses against the Liberian Government had been intimidated and punished, but the League of Nations and the English Government both investigated this charge and Lord Cecil said on May 17: "Neither of the two reports contained evidence of such allegations." [11] There was trouble, serious trouble, with the Krus; but it was historical and administrative and connected with the present only in so far as the Krus thought the Liberian Government had been superseded by foreign control. The Liberian Government reported also that it had taken action to try to meet every recommendation made by the Christy Commission.

The report of the experts in presenting their plan of relief repeatedly emphasized and dwelt upon the difficulties presented by the Firestone contract and its one-sided character: "Reckoning that an area of 50,000 acres will shortly have been planted, it will take about five years for the whole plantation to reach its full output. If the crop is estimated at 400 pounds per acre, the exports will amount to about 9,000 tons. The price of rubber at New York is at present about 5½ cents per pound. *But even assuming a price of 20 cents per pound* — which in present circumstances seems impossible to attain in five years — the crop would fetch $4,032,000, of which the Liberian Republic would receive 1 percent, or $40,320. In addition, Firestone pays a rental of 6 cents per acre, which gives $3,000. The Republic of Liberia thus receives from Firestone $43,320, *an amount which is not sufficient even to pay the officials responsible for the service of the loan, $53,650.* If the contributions to be paid by Firestone are reckoned on the basis of the present price of 5½ cents per pound for rubber, the amount is only $13,188 instead of $43,320." [12]

The Committee recommended an elaborate plan of rehabilitation based on arrangements to secure the second half of the Firestone loan of $2,500,000. They would then reduce the expenses of

[10] Sixty-Sixth Session of the Council (League of Nations). Minutes of 9th meeting, Feb. 6, 1932 (*Official Journal*, March 1932, Part II, p. 525).

[11] Minutes, May 17, page 14. From mimeographed copies of the "Minutes of the Committee of the Council appointed to examine the problem raised by the Liberian Government's request for assistance." Issued by the League of Nations and dated from the 6th meeting, January 25, 1932, to the 25th meeting, October 12, 1932. Referred to hereafter as Minutes, with date of meeting.

[12] League of Nations Report, p. 32. (The italics are in the Report.)

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the Liberian Government by $100,000 and employ twenty-one foreign experts, at a total cost, with expenses and geographical and mineralogical surveys, public health, and roads and bridges, of $398,000 a year. Nothing was allowed for education in the initial years of the plan, although "education alone, of course, will enable the Liberian Republic to attain its ideal and its aim, that of a free and united Negro nation." [13] This would make an annual budget of $950,000, of which $624,350 would go for foreign experts and loan charges.

Liberia objected: "Such a solution would not only not solve the problem, but would rather render the same more acute. . . . A survey of the situation has convinced the Liberian Government that the adoption of the suggestions of the Brunot Commission would powerfully contribute to the financial ruin of the republic, since no one can presently foresee how soon the world economic depression, which has largely been responsible for the present situation, will end." [14]

The Committee of the Council of the League of Nations began to consider the experts' report on January 25, 1932, and continued until May 21. Some members immediately put their finger on the Firestone contract and loan as the crucial point: "Was it reasonable," said M. de Madariaga, of Spain, on January 28, "to urge forward reforms in Liberia before they attacked the root of the evil? Would it not be better before considering whether they should or should not introduce reforms, should or should not borrow money, to decide whether the Firestone Company would remain in Liberia or not?" [15]

The American representative was told by Lord Cecil, who presided over the Committee, that "everyone admitted that some modification of these terms was both necessary and possible." "It was a pity that the Committee could not get in direct touch" with the Firestones. Mr. Reber, while he disclaimed representing the Firestones, "felt in a position to state" that in January he had had "the impression that this Company would modify conditions, but that such modification would depend upon the reforms and the nature of the powers granted to the foreign specialists." He added that it was "essential to submit an idea of these to the Finance Corporation." [16] Here the American State Department,

[13] League of Nations Report, pp. 25 and 26.
[14] League of Nations Report, p. 60.
[15] Minutes, January 28, p. 9.
[16] Minutes, May 6, p. 22.

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the Finance Company and the Firestone Company stand revealed as representing one and the same policy, with the same spokesman.

On May 19 the Committee of the Council finally adopted a curtailed program for Liberia in place of the first plan of the experts. This plan as published May 21 provided a Chief Adviser and eight foreign experts, together with the present Financial Adviser and his aides, at a cost, including roads and surveys, of $188,000. This was based on a radical revision of the Firestone contract; a moratorium on payments; an increase in land rentals, from 6 cents to 50 cents an acre; reduction in the amount of land to be granted; and a reduction of the interest paid on the debt. Labor contracts for the Firestone plantations were to be modified so as to be in accord with the International Slavery Agreements of the League, and decisions of the Chief Adviser could be appealed to the League Council. The total cost of this service was to be about $500,000. The actual income of Liberia for 1931 was $481,429, and to this sum was to be added the unpaid residue of the first Firestone loan. The proposal for an additional loan was dropped.

At the next meeting, which did not take place until September 19, 1932, it was reported that the Liberian Government had accepted the plan in principle, subject to certain reservations, but that the United States still expressed doubt as to the adequacy of the authority which it was proposed to confer upon the Chief Adviser. The amendments suggested by the Liberian Government were not important, being chiefly in the line of cutting down the initial expense, and making it possible for Liberians to act as Deputy Provincial Commissioners.

The Committee was disposed to agree with most of these suggestions. Then suddenly at the meeting of September 20, 1932, the United States proposed to lay aside the whole plan and make instead "a preliminary agreement," based "on the establishment in Liberia of an agency of the League of Nations headed by a Chief Adviser." This Chief Adviser was "to prepare a progressive and practical program of administration and reform to become effective upon the deposit of the text with the Secretary-General of the League of Nations." To this official Liberia was to grant "ample and adequate authority," and in case of a difference of opinion, "the opinion of the Chief Adviser shall rule except that Liberia shall always have the right to appeal to the Council of

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the League of Nations or to an agency thereof in Geneva for final decision." [17]

The Committee was taken aback. Lord Cecil asked how the United States Government proposed to have the Chief Adviser chosen. Mr. Reber explained that his government "would be glad to have an opportunity of expressing its views with regard to the appointment." The Chairman replied that under the ordinary procedure of the League, the United States would be consulted, as would also Liberia; but he wished further enlightenment: "What, for instance, pending an appeal to the Council, would be the fate of a decision reached by the Chief Adviser?" Mr. Reber answered: "The advice of the Adviser would continue to be acted upon until the Council had given its final decision." [18]

This brought matters to a standstill, because it meant that when the Council was not in session months might pass before any matter in dispute could be brought up, and that the Chief Adviser would be in effect the real ruler of Liberia. Mr. Grimes, Secretary of State, who was representing Liberia, asked time to consider this totally unexpected amendment. M. Panafieu of France remarked that the American proposal involved a radical change in the procedure adopted by the Council on May 20, and made the Council face a dilemma: "No reforms without money, and no money without reforms." He added that "the Council had presented to Liberia and Firestone interests what seemed to them a fair compromise." "The only reason," he said, "it had asked the Liberian Government first of all to accept in principle the broad outlines of the scheme of assistance had been on account of the reservations made at the time by the Americn representative, and now, at the very moment when the Government of Monrovia had signified its acceptance in principle . . . the Committee was asked to follow a different procedure." [19] Thereupon the meeting adjourned in order that the delegates might present the matter to their governments. At the meeting on September 23, the Liberian delegation said that the United States Government "contemplates not only the rehabilitation but also the reorganization of Liberia. And that the power proposed was not in accordance with the Liberian constitution. Should the committee then adopt the proposals contained in the

[17] Minutes, September 22, pp. 3 and 4.
[18] Minutes, September 22, p. 5.
[19] Minutes, September 22, p. 6.

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said statements, what would become of the Liberian Government?" [20]

The Committee then made and Liberia accepted a modified statement of the power of the Chief Adviser, by which the Council of the League could suspend a decision pending adjustment by the International Court; also the Committee tried again to get in touch with the Firestone interests, but could not; and were finally told on October 12 that the Firestones could not begin negotiations until November. Lord Cecil, the Chairman, declared at the meeting of October 12 that the Committee found itself in a difficult position. They had essayed to assist Liberia with the full approval of the United States Government. Last May they had reached an agreement and had hoped that the Finance Corporation would send a representative to Geneva to consult with them. It now appeared that although the United States Government had endorsed the general principles of the plan of assistance, the Finance Corporation was not satisfied. "This was a strange attitude for a commercial body to assume towards the League of Nations, and he thought that the Committee of the Council was surely entitled to more courteous treatment." [21]

It was at this time that the National Association for the Advancement of Colored People heard of the *impasse* and appealed to the Secretary of State not to insist on a dictator in Liberia at the behest of the Firestone interests. Mr. Stimson made this astonishing reply: "The Firestone interests have no immediate connection with the present problem. Their conduct in Liberia has not been made the subject of criticism by any investigating body. The present problem is not one of business interest, but of order and humanity."

A striking rejoinder to this is the statement made by a member of the Committee at the 66th Session of the Council: "Whenever a powerful commercial concern interfered in a country which was particularly weak economically and politically, there occurred between the economic entity and the political entity a symbiosis which clearly was a very bad thing, not only for the political welfare of the country in question, but also for the general welfare of the world, all countries being interdependent." [22]

This, then, is the situation. And because of the impossible

[20] Minutes, September 23, p. 5–8.
[21] Minutes, Oct. 12, p. 5.
[22] *Official Journal*, March 1932 (Part II, p. 526).

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position into which the Liberian Government has been forced by the refusal of the United States to recognize it, by the consequent inaction of the League, and by the attitude of the Firestone interests, the Liberian Legislature on December 23, 1932, passed a joint resolution to give notice to the Finance Corporation "that the Government of Liberia can no longer continue the payment of the expenses incident to the service of the loan, and that from June 30, 1932, the payment of interest and amortization is suspended until such time as the revenues of the Government for two consecutive years shall have amounted to six hundred and fifty thousand dollars annually."

The Financial Adviser protested, saying that Liberia's financial plight was not due mainly to the depression but to failure to follow his advice. He advised against "such unfriendly and unreasonable legislation." As a result, and as a dying gesture of the Hoover Administration (assented to, we are told, by President Roosevelt), the United States rushed a Major-General to Liberia, together with an expert from the State Department, to replace the colored Minister, Charles E. Mitchell, who had never been allowed to present his credentials or have any official relations with President Barclay. The official reason for this action was as follows: "The recent violation by Liberia of the loan agreements to which she is a party and her virtual repudiation of this obligation and the security on which large sums have been advanced to her by American interests are the culmination of some years of disagreement."

Liberia is not faultless. She lacks training, experience and thrift. But her chief crime is to be black and poor in a rich, white world; and in precisely that portion of the world where color is ruthlessly exploited as a foundation for American and European wealth. The success of Liberia as a Negro republic would be a blow to the whole colonial slave labor system. Are we starting the United States Army toward Liberia to guarantee the Firestone Company's profits in a falling rubber market or smash another Haiti in the attempt?

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THE ESTABLISHMENT OF PEACE IN NICARAGUA

By Dana G. Munro

IN AUGUST 1925 the United States withdrew from Nicaragua the small legation guard which had helped merely by its presence to maintain stable government in that country for some thirteen years. Less than three months later, General Emiliano Chamorro seized the Loma fortress, which dominates the city of Managua. From this vantage point he was able to dictate terms which placed him in command of the army and made him virtually the ruler of Nicaragua. President Carlos Solorzano, who, like General Chamorro, was a Conservative, but who had come into office ten months before as the result of a coalition between his own wing of the party and the Liberals, was compelled to repudiate his agreements with the Liberals and to remove all office holders not in sympathy with the new régime. Even those members of Congress who were not willing to support Chamorro were expelled, and the Liberal Vice-President, Doctor Juan Bautista Sacasa, was compelled by threats of personal violence to flee the country. In January 1926 President Solorzano withdrew from office and General Chamorro was elected by the Congress to take his place.

In the General Treaty of Peace and Amity signed at Washington in 1923, the five Central American Republics had agreed not to recognize any government established in a Central American state by a revolution or a *coup d'état*, and the Department of State had announced that its own policy would thenceforth be governed by this same principle. General Chamorro's administration was not therefore recognized by the United States, and this fact made it very difficult for him to establish his authority on a firm basis in Nicaragua, even though the government at Washington had made it clear that it would not look with sympathy upon efforts to overthrow his régime by force. The Liberals immediately made preparations for a revolt. An outbreak on the east coast in May 1926 was suppressed by Chamorro's troops, but a more formidable movement in the same region in August soon involved Nicaragua in one of the most disastrous civil wars in the republic's history. The Department of State endeavored to bring about an agreement between the contending factions, but a peace

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conference held on the *U.S.S. Denver* at Corinto in October failed, and hostilities were resumed.

Immediately after the Corinto conference, General Chamorro resigned as Provisional President, and the Conservative leaders who remained in control at Managua took steps to establish an administration which could hope to receive recognition from the other Central American republics and from the United States. The members of Congress expelled by Chamorro during the preceding year were invited to resume their seats to participate in the election of a designate to the presidency, and a majority of the legal membership chose ex-President Adolfo Diaz, a Conservative, as the new chief executive. His administration was promptly recognized by the United States. New peace proposals, including participation in the Cabinet and other government offices, a full amnesty, and a cash payment to the revolutionary troops, were made to the Liberals but were declined; for Dr. Sacasa, the Vice-President, had returned to Nicaragua shortly after Señor Diaz's inauguration and had set up on the east coast what claimed to be the constitutional government of the republic. Dr. Sacasa was recognized by the government of Mexico and received substantial assistance in arms and supplies from Mexican sources.

By this time American marines had again been landed in Nicaragua. There were many citizens of the United States and of other foreign powers on the east coast, where most of the fighting had occurred, and the American customs receivership, established in 1911, was still in existence under contracts with British and internal bondholders, although all advances made by the American bankers had been repaid some years before. For the protection of foreign life and property, neutral zones had been established in several of the east coast ports before the end of 1926. In January 1927, after several European governments had insisted upon protection for their citizens, and after President Diaz had officially requested that the United States assume responsibility for the security of foreigners, a legation guard was sent to Managua. This subsequently made it necessary to assume the policing of the railroad from the capital to the Pacific coast and to establish neutral zones in several cities along the line. Each successive step involved the United States more deeply and made it increasingly probable that the American marines would sooner or later be drawn into the fighting. Meanwhile, the pro-

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longed civil war was bringing the country to the verge of anarchy.

It was under these circumstances that Mr. Stimson went to Nicaragua as the personal representative of the President of the United States in April 1927. He found both parties anxious for peace. The leaders on both sides had sometime previously stated their belief that a fair settlement could be obtained if the United States would consent to supervise the presidential election to be held in 1928, and would undertake to assure the maintenance of fair play between the two parties in the meantime; and an agreement was worked out by Mr. Stimson on this basis after a conference at Tipitapa with General Moncada, the leader of the revolutionary army. Although the Liberals were unwilling to recognize the right of Señor Diaz to remain in the presidency, they acquiesced in his continuance when Mr. Stimson insisted upon this point. Both sides were to deliver their arms to the American marines, an amnesty was to be proclaimed, and the government was to be reorganized in such a way as to restore to the Liberals the representation in the courts and the control of several provincial governments which they had enjoyed under President Solorzano. Provision was also made for a non-partisan constabulary, to be trained and temporarily officered by American marines, which should be the sole military force of the republic. The creation of an impartial police was regarded as the most effective guarantee of fairness and freedom in the election and was hence an important feature of the peace agreement.

Peace was in fact reëstablished throughout the greater part of Nicaragua, and the principal forces on both sides were disarmed without difficulty. The courts were reconstituted on a bipartisan basis, Liberal governors were appointed in several provinces, and the new constabulary, the *Guardia Nacional*, was organized under officers from the Marine Corps. General Frank R. McCoy was designated by the President of the United States as chairman of the commission which was to supervise the approaching election, and the contest for votes, which promised to be a close one, began to absorb the attention of the politicians in both parties.

It was only in the inaccessible mountainous region along the Honduran frontier, popularly called the Segovias, that normal conditions were not restored. General Augustus Caesar Sandino, one of the minor leaders in the Liberal army, had agreed to disarm his followers at the time of the Tipitapa conference, but instead had surreptitiously withdrawn into the northern provinces,

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where he carried on guerrilla warfare, raiding unprotected towns and plantations, terrorizing the native population, and from time to time ambushing small patrols of marines and constabulary. The American and Nicaraguan forces which were sent against him were able to hold him in check but not to capture or destroy his scattered forces. Thousands of square miles of almost impenetrable mountains and jungle offered a perfect refuge, and it was always easy for a group of outlaws to lay aside their arms and resume the aspect of peaceful citizens when the marines approached. Such contacts as occurred were generally of a minor nature, but forty-seven marines were nevertheless killed in battle, or died of wounds, during the operations in Nicaragua between 1927 and 1932.

While the methods which Sandino and his followers employed were those of the worst type of bandit, it is difficult to suppose that he could have kept up the struggle, against great odds and in the face of severe hardships, if he had not been inspired by a fanatical hostility to foreign intervention. He maintained from the beginning that his purpose was to compel the withdrawal of American forces from Nicaragua. His efforts were regarded with little sympathy by his fellow countrymen, who were far more concerned with the electoral campaign and with repairing the damage done by the civil war; but he soon became a hero outside of Nicaragua. The press, both in Latin America and in the United States, gave his activities an importance which must have surprised him, and the encouragement which he received from anti-American propagandists in other countries and from "anti-imperialist" writers in the United States did much to prolong his futile and destructive campaign.

How little influence Sandino was able to exert in Nicaragua itself was shown by his failure to interfere appreciably with the conduct of the election which was held in November 1928. It was possible to carry out both the registration of voters and the balloting in a satisfactory manner even in the districts where he was most active. The Conservatives, who were defeated by a substantial majority, accepted the result in an excellent spirit. On January 1, 1929, General José Maria Moncada, the Liberal candidate, was inaugurated as President of the republic.

The continued disturbances in the north made it impossible to terminate the American intervention immediately even though its main purpose had been accomplished. Although the number of

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marines in Nicaragua was reduced from more than 5,000 men at the end of 1928, to 2,215 on September 1, 1929, it was impossible to withdraw the force entirely, because the newly-organized National Guard could not function without its American officers until Nicaraguans had been trained to replace them. Since the United States had required the disbanding of the old army and police, as a step essential for the conduct of a free election, it could not refuse to assist in the maintenance of order until the *Guardia* was in a position to assume full control.

Both the American authorities and President Moncada, however, endeavored to have the *Guardia* assume as rapidly as possible the full burden of actual military operations. The Nicaraguan forces in the north were substantially increased, and in February 1931, after eight American marines had been ambushed and killed while repairing a telephone wire near Ocotal, the two governments agreed upon a plan under which the marines would be withdrawn entirely from the northern area. By June 1931 this plan had been carried out, and there remained in Nicaragua, besides the American officers in the *Guardia*, only an instruction battalion of about five hundred men and an aviation section to maintain communication with the otherwise inaccessible *Guardia* posts in the north. The marines were not withdrawn entirely, partly because they would be needed to assist in the 1932 elections, partly because it was considered inadvisable to leave the American officers in the *Guardia* without some military support. Secretary Stimson indicated, however, that the United States contemplated the complete withdrawal of American forces from Nicaragua immediately after the 1932 election.

In October 1928 General Moncada and Señor Benard, the Liberal and Conservative presidential candidates, had agreed that the new administration would request American supervision of the elections to be held during the next four years, in order to assure the continued maintenance of peace. Soon after his inauguration, then, General Moncada requested the designation of an American to serve as chairman of the national board of elections, and on May 8, 1930, Captain Alfred W. Johnson, of the United States Navy, was appointed to supervise the congressional election of that year. In January 1932, in response to a renewed invitation from President Moncada, Admiral Clark Howell Woodward was nominated to supervise the presidential elections to be held the following November.

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The internal political situation in Nicaragua had become somewhat confused as the end of President Moncada's term approached. In the latter part of 1931, the President had proposed that a constitutional convention, rather than a congress, be chosen in the elections of 1932, in order that the whole framework of the government might be revised in such a way as to assure participation by the minority in the work of administration. He had obtained the consent of the leading Conservatives, but had been opposed by many Liberals, who, despite General Moncada's emphatic denial, alleged that the President's real purpose was directly or indirectly to perpetuate his own authority. Although the plan was abandoned, after the Department of State had indicated that it would be unwilling to supervise the 1932 elections if their scope were so changed, it helped to accentuate the already existing division among the Liberals, and when the American Electoral Mission arrived it found two separate organizations, each of which claimed to be the legal representative of the Liberal party. Admiral Woodward ordered a plebiscite to determine who should appear on the ballot under the Liberal emblem, but before this was held the two factions composed their differences and agreed upon the nomination of Dr. Sacasa for the presidency. Rodolfo Espinosa was subsequently nominated for the vice-presidency. The Conservatives finally nominated Adolfo Diaz for president and Emiliano Chamorro for vice-president.

The supervision of the election of 1932 presented very difficult problems. In the first place, it was deemed advisable greatly to reduce the American personnel as compared with that of previous electoral missions, partly to avoid having Americans serve in or near the regions where their nationality would make them especially liable to attack by Sandino, and where it would be impossible to protect them without sending additional forces to Nicaragua, and partly in order to permit as many Nicaraguans as possible to obtain practical experience in the conduct of the election. This last consideration was especially important because it was intended that there should be no supervision of future elections by the United States. Even the sending to Nicaragua of the personnel considered absolutely indispensable was made difficult by an amendment inserted in the Naval Appropriation Act, after preparations for the election had already reached a point where withdrawal of the American supervision was out of the question, forbidding the use of funds for sending additional

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marines to Nicaragua for electoral purposes. It was found possible, however, to obtain a staff of 371 men from forces which were available, and Nicaraguan citizens served as chairmen in 247 of the 429 local electoral boards. Despite the difficulties encountered, the elections were held in a manner which brought expressions of approval from the press of both parties. Dr. Sacasa received a substantial majority.

The new President was inaugurated on January 1, 1933, and on January 2 the last of the American marines were withdrawn from Nicaragua. The command of the *Guardia* had already been turned over to Nicaraguan officers. On January 3 the Minister of Foreign Relations in the new administration formally expressed to the Secretary of State the Nicaraguan Government's appreciation of the Marines' "valuable coöperation in the maintenance of order and peace" and its gratitude for the "fruitful work which culminated in a free and just election."

Dr. Sacasa faced several formidable problems. Sandino and his lieutenants had become more rather than less aggressive during the past year, and there were indications that recent political and economic conditions had increased the number of his sympathizers, even in the regions where he had formerly had little support. His movement was still relatively unimportant from a military point of view, but it might easily reach dangerous proportions if allowed to continue. The *Guardia* was an uncertain factor after the withdrawal of its American officers. Since there had not been time to train an adequate Nicaraguan officer personnel in the five years since the force had first been organized, it had unfortunately been necessary to appoint many civilians in the higher ranks — a step which caused much discontent among the officers already in service.

In meeting this situation, however, the new President was fortunate enough to be able to count upon the support of both of the great political parties. Several of the more important leaders had begun to discuss how they could prevent a return to the old régime of oppression and factional strife, when it became clear that the marines were actually to be withdrawn. On June 30, 1932, a group of influential Liberals and Conservatives, including Dr. Sacasa and ex-President Chamorro, had signed a formal agreement to work for national unity and peace and to use their personal influence to bring about not only fair treatment for but also participation in the government by the party defeated in the

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approaching election. Four months later, representatives of the two parties formally concluded a series of four agreements providing for united support of the new administration in dealing with Sandino, and laying out a program of constitutional reform designed to assure the participation of both parties in the conduct of public affairs, and more especially the representation of the minority in Congress, the courts, and the municipal governments. An effort was to be made to improve electoral machinery and methods, and bipartisan commissions were to be created to assist and control the action of the executive in the financial administration and in the conduct of foreign affairs.

A separate agreement, signed by the presidential and vice-presidential candidates of each party in the presence of the American Minister on November 5, 1932, provided for the maintenance of the non-partisan character of the *Guardia* and obligated the candidates to support the government to be elected the next day. The *Guardia* was to continue to be the sole armed force in the republic, and its officers and enlisted personnel, with the exception of the commander-in-chief and the general staff, were to be selected in approximately equal numbers from the two parties.

A portion of the program embodied in the inter-party agreements was carried out even before Dr. Sacasa's inauguration. On December 17 the Conservative leaders issued a manifesto accepting the result of the election as the dictate of the majority of the Nicaraguan people, and promising support to the new administration in a program of pacification and constitutional reform. A Liberal manifesto issued at the same time reiterated the intention of the majority party to establish the basis for an effective cooperation of all political elements in the work of the Government and to guarantee to all citizens, regardless of party, the exercise of their civil rights. A few days later the Congress carried out one of the important provisions of the agreements by giving the Conservatives representation in all of the courts of appeal and a majority of the judges in the court at Granada. President Sacasa, in his inaugural address, pledged himself to carry out the program upon which the party leaders had agreed and to transfer the presidential authority at the end of his term to a successor chosen at a free election; and a commission of members of both parties has very recently been appointed by the Congress to draft the proposed amendments to the Constitution.

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The most important result of the agreements was the establishment of peace in the Segovias. With the withdrawal of the American marines, Sandino could no longer maintain that his operations were a protest against foreign intervention, and he was confronted by the announced determination of the two great political parties to support the government in terminating his depredations. As the result of a mission which was sent to confer with him immediately after the inauguration of the new administration, the insurgent leader came to Managua by airplane, and on February 2 his plenipotentiaries and the accredited representatives of the Liberal and Conservative parties signed an agreement which was immediately "ratified" by the insurgent leader and formally "accepted" by President Sacasa. This document recited at some length the fact that Sandino refused to accept any financial or material compensation for laying down his arms, and that the representatives of the two parties "rendered homage" to his noble and patriotic attitude. Sandino's followers were granted a large area of state land in the valley of the Coco River, to be at least ten leagues from the nearest town, and were permitted to keep one hundred men under arms for the time being to maintain order in their new settlement. They were also to be given preference in employment in public works which the government promised to inaugurate. This agreement appears to have been satisfactorily carried out. An amnesty was decreed by the Nicaraguan Congress, and on February 22 it was announced that the disarmament of the insurgent forces had been completed.

With the withdrawal of the marines and the capitulation of Sandino, the American intervention in Nicaragua was closed. Whether the intervention was in itself justifiable or wrong is a question beyond the scope of this article and a question which could not be discussed adequately without a comprehensive examination of the fundamental bases of the foreign policy of the United States. Unquestionably the events of 1926–7 had a most unfortunate effect upon our relations with other Latin American countries. They increased the prevalent suspicion and dislike of the United States, with noticeable results not only in the sphere of diplomacy but also in commerce. Commercial rivals and other elements interested in creating anti-American sentiment were prompt to seize upon the opportunity for hostile propaganda, and distorted and misrepresented the details of a policy which in any case was highly offensive to Latin American public opinion.

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From the standpoint of the United States, it is clearly most unfortunate that the intervention should ever have occurred. Whether or not a refusal to intervene might have had still more disastrous results of a different character is another matter.

There can be no doubt, however, that the intervention was beneficial to Nicaragua. A civil war which threatened to plunge the country into the depths of anarchy was brought to an end, and substantial progress was made toward establishing the bases of a lasting peace. There could have been no more impressive justification of the policy inaugurated in 1927 than the signature five years later of the inter-party agreements, because it was this policy, ably and tactfully carried out by the American representatives in Nicaragua, which made possible the growth of the spirit of conciliation which inspired these pacts. Before 1928, the bitterness and distrust engendered by generations of civil strife made extremely difficult any real coöperation between the party leaders. With the holding of a series of free elections, the tension between the parties noticeably decreased. The defeated party did not feel the resentment which inevitably followed the installation of a government by force or fraud, and the administration was not compelled to adopt repressive measures to prevent revolution. Five years of peace — for the operations of Sandino hardly affected the daily lives of the great majority of the Nicaraguan people — had made it possible to forget in large measure the blood feuds of the past, and there was a general reluctance to contemplate a return to the old conditions.

The future rests with the Nicaraguans themselves. There is much to discourage undue optimism, particularly at the present time when bad economic conditions have caused unrest in Nicaragua as in other countries. Further, the continued maintenance of a spirit of coöperation will be more difficult than it would be in a country where partisanship among all classes of the people was not so intense. Situations are certain to arise which will call for the exercise of much self-restraint and for a high order of statesmanship by the party leaders. It is difficult to suppose that setbacks will not occur. But we can find encouragement in the fact that the same leaders under whom the country was plunged in a destructive civil war in 1926 were able six years later to coöperate loyally in a program to establish permanent peace. It is the new spirit evident in the relations between the two parties which makes one hopeful for Nicaragua's future.

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WORLD MINERAL PRODUCTION AND CONTROL

By H. Foster Bain

THE World War suddenly brought into being a need not only for millions of men and tons of food, but for immense increases in transportation facilities and enormous quantities of equipment of all kinds. The experience taught men everywhere, as no human experience had ever taught before, the value of minerals and of the metals derived from them. Steel, copper, lead, zinc, coal, petroleum — the common mineral products and many others little known or appreciated before, such as tungsten, chromite, manganese, molybdenum — all were in unprecedented demand. In every quarter of the world there was a scramble for supplies. During the years since the war an almost equal furor has arisen over the effort of each nation to make itself secure for the future, either by forcing the domestic development of mineral resources or by acquiring control of foreign supplies. Not a few of the international difficulties of the post-war world have resulted from this effort.

Minerals, so essential to the complex fabric of modern life, are unequally distributed among the nations. No single nation is wholly independent as regards all of them. Thus 85 percent of the world's sulphur, one of the minerals most essential to modern industrial processes, is supplied by the United States, and 11 percent by Italy; no other country produces more than 2 percent. Nickel comes 89 percent from Canada. Of the molybdenum supply, 94 percent comes from one mine in Colorado, and 5 percent from Norway. Other similar instances might be cited. Even those minerals which are used in very large quantity, such as coal and iron, are derived mainly from but a few countries. It is the peculiar characteristic of minerals that they can neither be reproduced nor transplanted. The British introduced rubber from Brazil to Malaya; but the tin which is mined in Malaya was there already, and all the British could do was to develop the existing reserves.

In view of the essential rôle played in the modern world by minerals, and in view of the many peculiar limitations on their supply, "The Mineral Inquiry" was organized[1] two years ago "to make factual studies of the mineral resources of the United States and the world in their political and international relations." This study, which was undertaken for the Inquiry by William P. Rawles, uncovered much interesting data, in part incorporated in the accompanying charts, relating to the distribution and production of the principal minerals and the degree of political control exercised by various countries. These charts, which were first prepared for a Mineral Conference that was recently held at the Council on Foreign Relations in New York, are based upon the output for 1929, the last year for which complete returns are available. The percentage of the world's output mined within a given country, and the percentage controlled by the citizens of various countries,

[1] Consisting of C. K. Leith, Chairman, and H. Foster Bain, G. Temple Bridgeman, M. L. Requa and J. E. Spurr; with an Advisory Council consisting of Isaiah Bowman, Edwin F. Gay, Jerome D. Greene, T. W. Page and Nicholas Roosevelt.

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are shown wherever it amounts to 5 percent or more; smaller percentages are lumped together as "other."

The striking fact will be at once noted that in every case the bulk of the production comes from but a few countries. Only here and there do more than four countries participate to an important degree in production, or more than three in control. In a number of cases two countries or even one mine or control 95 percent or more of the whole output. Commercial control is distinctly more closely concentrated than production; in most instances not more than three nations control 95 percent.[2] No figures for gold are included, since it is especially difficult to trace out the commercial control of the mining shares. However, the British Empire holds a strongly dominant position both in mine production and commercial control.

The reserves of minerals rather than their present production would afford a more exact basis for arriving at an estimate of the long-time rating of the various nations. Complete figures for reserves unfortunately are not available. In general it may be taken that the recent annual production of the various countries, following so long a period of unrestricted development, provides an approximate measure of the relative reserves of each. This is not entirely true. Coal production, as shown by the figures used, was in 1929 mainly the business of the United States, Germany and Great Britain, with France and Poland figuring as bad seconds. The big coal reserves of the world, however, as estimated by the International Geological Congress, are found in the United States, Canada and China, with Germany, Australia and Poland as approximately equal secondary powers.

Study of the charts reveals the relatively strong position occupied by the United States. It is true that this country suffers from a marked deficiency in nickel, tin, manganese, tungsten, chromite and potash (though newly developed potash mines in the southwest have changed the picture, except possibly on the basis of competitive cost of delivery to consuming markets). It will be observed, however, that the United States can obtain adequate supplies of most minerals from domestic mines, and that the country's position has been notably strengthened by the extension of American interests abroad. The only other nation which is in the same class with the United States as to minerals is the British Empire. Together the two control the great bulk of the mineral wealth of the world.

This dominant ownership opens up great opportunities to the United States and to Great Britain. But it also entails a heavy responsibility, since control of the world's minerals gives control of the basic materials for peace and war.

[2] The figures of commercial control are not exact. Shares in corporations are widely scattered, are not easily segregated by nationality of ownership, and furthermore are constantly changing hands. Moreover, it sometimes is undesirable from a business point of view completely to reveal ownership. Thus the figures given must be accepted as close approximations only. In the case of bauxite, there is a considerable block of production under commercial control which the Inquiry found it impossible to differentiate completely along national lines.

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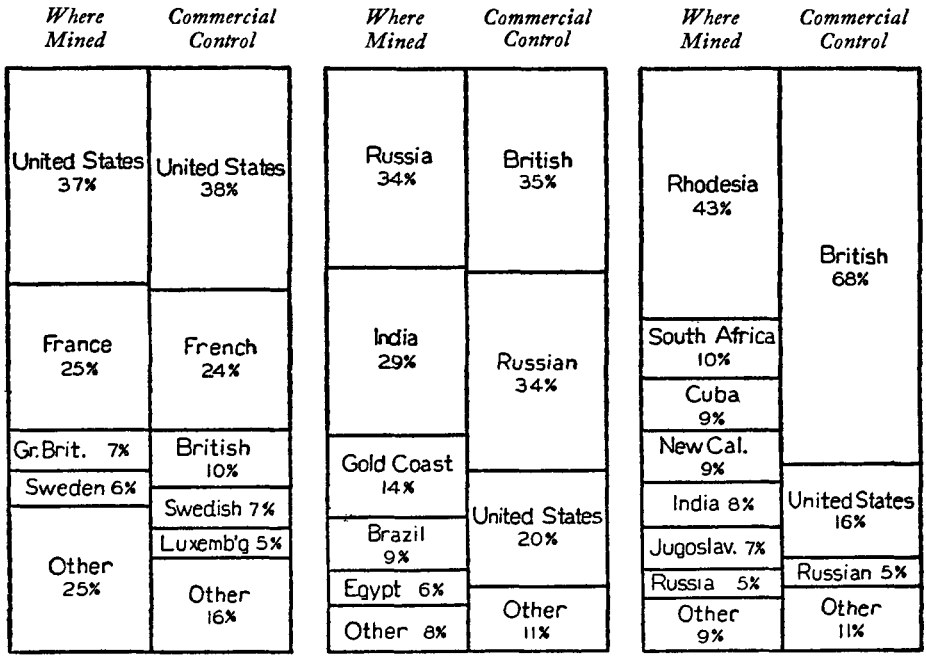

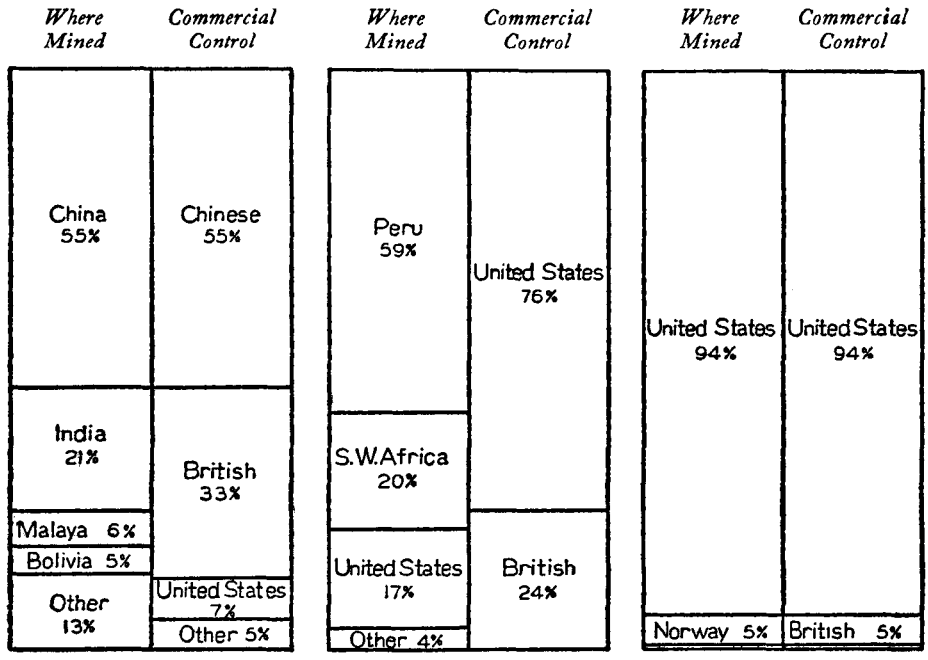

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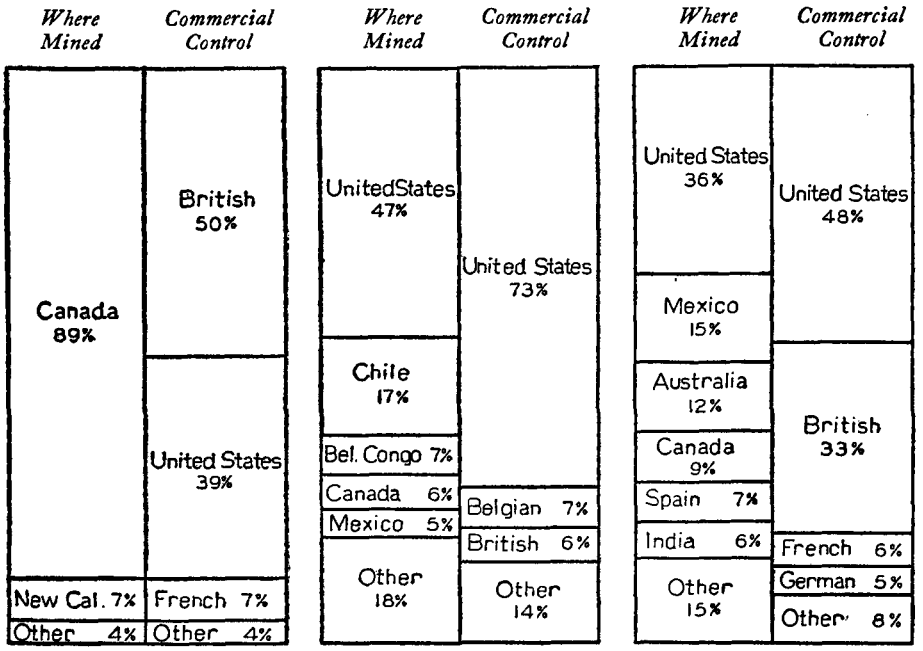

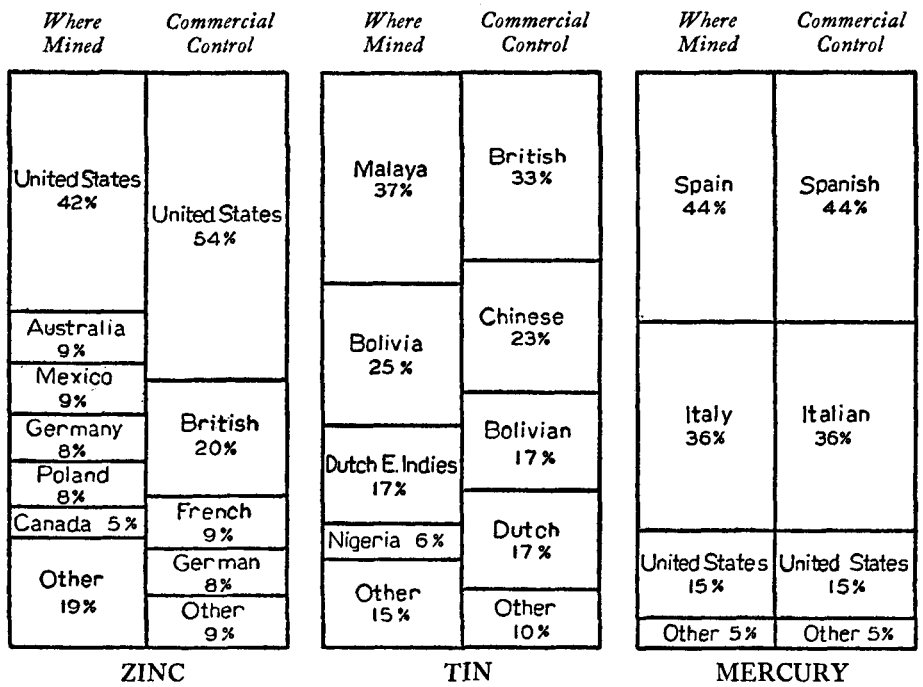

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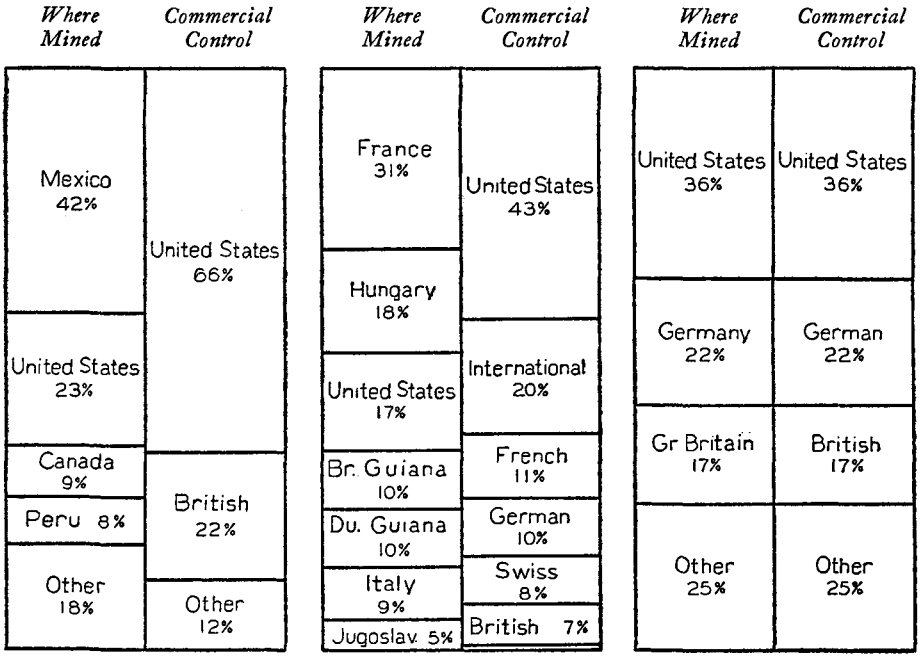

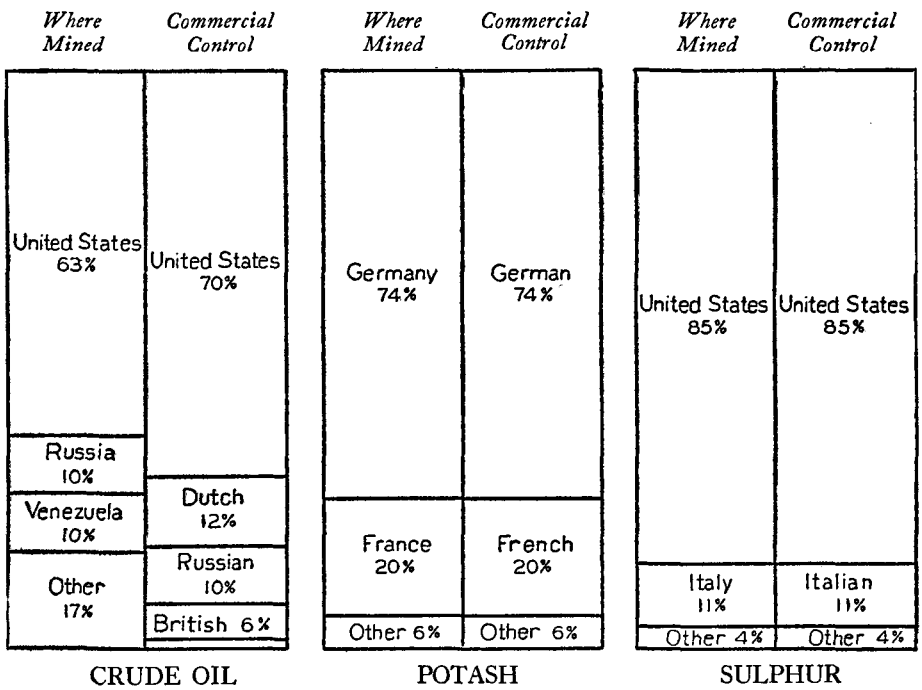

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CHINA, JAPAN AND THE PHILIPPINES

By Ralston Hayden

PRESIDENT HOOVER in vainly vetoing the Philippine Independence Bill on January 13 uttered a forceful warning that once the stabilizing and protecting power of the United States is withdrawn from the Philippine Islands they cannot long remain outside the conflict of tremendous forces now contending for physical and spiritual mastery in the Far East. He also reminded Congress that this archipelago, for a generation a dependency of the United States, cannot by mere legislative fiat be summarily removed from the sphere of American interests and responsibility. Mr. Hoover's grave warning directs attention to the fact that the Islands have already become an area of keen competition between China and Japan, and suggests that American withdrawal might bring them, and consequently the United States, into the very vortex of the storm now raging in the Orient.

I. THE CHINESE IN THE ISLANDS

Probably 125,000 alien Chinese are now resident in the Philippine Islands, while at least 750,000 of the most prosperous and influential Filipinos are in part of Chinese blood. Through more than four centuries the Chinese element, ceaselessly renewed by immigration from the mainland, has maintained its peculiar national characteristics and performed its indispensable economic functions. Highly organized, closely connected with their countrymen at home, and possessed of the personal characteristics that bring material success, the Chinese long ago wrested the bulk of the business of the Philippines from the Filipinos and all other competitors. They now conduct between 70 and 80 percent of the retail trade and a large proportion of the other internal commerce of the Islands. During recent years their power and numbers have been rapidly increasing.

The commercial and credit system of these Philippine Chinese covers virtually every business in the Philippines and reaches from Manila to the remotest island. Three-quarters of the commercial credit facilities of the country are in their hands. In the great rice regions the Chinese finance the production of this basic food crop and almost completely control the milling and distribution of it. Throughout the Islands the retail lumber trade is almost entirely carried on by them, and they cut and mill nearly 40 percent of the timber annually put on the market. They dominate many handicrafts and have an important stake in automobile transportation. A year ago it was discovered that Chinese-owned vessels were participating in the inter-island trade under fraudulent Philippine registry. Three Chinese steamship companies maintain a regular service between Manila and Amoy. In the rich, undeveloped island of Mindanao and in other frontier territory the Chinese have always been the commercial pioneers, and they are now beginning to participate in the agricultural exploitation of some of these areas. The total Chinese investment in the Philippines is estimated at more than $100,000,000, or about half of the American investment in all of China.

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The remarkable accomplishments of the Chinese in the Philippines are the result of private initiative and in the main have served social and economic rather than political ends. But though these achievements have not had material assistance from the Chinese Government, the presence of so large a group of energetic aliens has inevitably given rise to serious problems in the Philippines. Chiefly because of their dominant economic position, the local Chinese as a class are disliked by the Malayan masses in many parts of the country. Throughout history they have been subject to occasional attack and spoliation by Filipino mobs, and for this and other reasons constitute a serious danger to law and order. From time immemorial, too, they have been exploited by governmental officials, and have sought to defend themselves against this type of abuse by the use of money. Legislation concerning them has recently become an important issue in domestic politics and has aroused serious resentment in China. Thus far, foreign authorities have protected the Philippines from mass Chinese immigration. This protection has become increasingly ineffective, however, in part because the local administration of the American Chinese exclusion law is inefficient and corrupt, in part because conditions in China have increased the pressure for entrance into these nearby islands of comparative security and opportunity. What will happen when the Filipinos have to stand entirely on their own feet in this matter? One final consideration: unassimilable in the first generation, controlling three-quarters of the business of the country, yet having no direct voice in government or any responsibility for it, the Chinese unquestionably add to the difficulty of developing a successful Philippine democracy.

Within the past few years the Filipinos have become increasingly concerned over the problems arising out of the position of the Chinese in their country. One of their most able officials recently told his people precisely what they must do if they wish to reduce the power of these alien economic masters. "We should learn to do the work of the Chinaman if we propose to take his place," he declared. This achievement, he added, would require a new attitude toward life, "the overhauling of our national psychology." Evidently, however, he realizes that the psychology of a nation cannot easily be overhauled, for he proposed that instead of seeking to eliminate the Chinese the Filipinos should endeavor to "enter into partnership with Chinese capital and talent in the development of our resources, commerce and industry."

Natural forces would make easy the formation of such a partnership between these two neighboring peoples. Indeed, in the event of the early withdrawal of the United States from the Philippines the consummation of that partnership could be prevented only by the intervention of some other powerful nation. And once the partnership had been formed, the same natural forces would inevitably determine which race would become the senior partner and, eventually, the sole member of the firm.

II. THE JAPANESE IN THE ISLANDS

Like the Chinese, the Japanese played an important part in the pre-Spanish and early Spanish life of the Philippines. Fifty years after the founding of Manila it was reported that some 3,000 of them were resident in that city alone, and it is probable that their subsequent disappearance from the Islands

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was due to their government's isolationist policy rather than to any inability or unwillingness on their part to live away from home and in the tropics. After the Mikado's empire had again been opened to world intercourse, Japanese gradually reappeared in the Philippines. Since 1900 they have come in more rapidly, and it is estimated that there are now some 19,000 in the Islands, 12,000 of them concentrated in the province of Davao. Unlike the Chinese, the Japanese have brought many women with them and have not intermarried freely with the Filipinos. For this reason and because their reappearance in the Archipelago is comparatively recent there is no considerable group of Japanese-Filipino *mestizos* in the local population.

In further contrast with the Chinese, the majority of the Japanese in the Philippines have always been artisans, agriculturalists and fishermen rather than merchants. The minority engaged in commercial pursuits has increased within recent years, however, and the rate of increase has been accelerated since 1931 by Japanese efforts to overcome the boycott of their goods by the Chinese middlemen through whom most of the imports from Japan have always been sold to the ultimate Filipino consumer. Although Japan's Philippine trade is not large compared with her total commerce, her economic situation is such that it is not without importance to her. Furthermore, it is steadily increasing, and as the Philippine Islands are capable of supporting a population of from 40 to 50 millions it is of great potential value. In the event of the termination of free trade between the Islands and the United States, it is natural to suppose that Japan would make a determined and successful effort to capture a larger and larger proportion of this market lying at her door. Such a policy would mean a considerable further increase in the Japanese commercial population of the Islands and in Japanese business investments there.

It is not as merchants but as fishermen, however, that the Japanese residents of the Philippines have come into the most direct and acute competition with the native population. Just as the Chinese control the distribution of rice in the Islands, the Japanese have become a powerful factor in the supply of fish, the second staple food of the Filipino people. They have attained this position through possessing a virtual monopoly of deep sea fishing and the use of modern fishing methods in Philippine waters. Thus far the Filipinos have failed to substitute these methods for the inshore traps, nets and lines of their ancestors.

The recent rapid expansion of the Japanese fishing industry has led to a popular demand that the Japanese be curbed by law before they completely dominate the supply of this essential food. In 1930 a bill designed to accomplish this purpose was vetoed by the Governor-General, chiefly on the ground that it was so carelessly drawn that it expressed exactly the opposite from the legislative intent. Japan's attitude towards any governmental action involving the elimination of her citizens from a business which they have developed without interference over a period of 28 years was officially expressed at that time in a letter in which the Japanese Consul-General in Manila urged Governor-General Davis to veto the bill "in the cause of the existing cordial relations between Japan and the Philippines." Since then feeling over this very delicate situation has increased on both sides. Among the Filipinos it has been heightened by the occurrence of incidents in which the crews of vessels from Japan defied Philippine authorities when apprehended in illegal fishing and lumbering operations

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in the northern waters and islands of the Archipelago. Referring to these incidents, the *Tribune*, a leading Filipino newspaper, declared editorially that "this incursion into Philippine territory by the Japanese portends for the future consequences of national import. Not the events of today, but the probable events of tomorrow fill the minds of the Filipinos with apprehension. The shadow has been thrown on our portals."

But of all the activities of the Japanese in the Philippines the great agricultural colony which they have established in Davao is the most spectacular and probably the most significant. In 1904 about a hundred Japanese laborers who had been thrown out of employment by the completion of the Baguio road in northern Luzon were brought to this province at the southeastern corner of Mindanao to work on the hemp plantations of a group of hardy American pioneers. Today there are some 12,000 Japanese in Davao and they have been chiefly instrumental in turning a wilderness into the most important hemp producing center in the world. The early Americans were replaced as the dominant group in the province because they received neither new blood nor new capital from home.

The Japanese pioneers in Davao are closely organized, amply supported, and ably directed. In the selection of immigrants, the transportation of them to the colony and their placement on the land, the collective welfare of the group is guarded by close coöperation between the private interests concerned and the Japanese Government. The organized Japanese community provides its people in Davao with excellent hospital facilities, schools, recreation centers, legal services, and aid in time of trouble. It also gives them financial backing and technical assistance in solving their problems as planters. At every step the Japanese Government continues its support and assistance through a capable consul and scientifically trained agricultural experts. Two Japanese steamship lines maintain a weekly service between Davao and the homeland.

Although some of the Filipino settlers in Davao are genuine pioneers whose courage and industry would be creditable in any people, many more, especially those sent down by the Philippine Government, are unfitted by experience and temperament for life in a new country. In either case they almost entirely lack capital or financial backing, organization, leadership, or the spirit of mutual coöperation. In recent years they have been exploited by a local government that is inefficient and often grossly corrupt. In these circumstances it is not surprising that the vast majority of the Filipino settlers who are able to acquire homesteads in the hemp districts lease their property to Japanese, who, as aliens, cannot acquire or lease public land in the Philippines.

In his 1930 annual message to the Philippine Legislature, Governor-General Davis referred to Mindanao as a "Land of Promises — unfulfilled. A treasure-house of national wealth — with the door kept carefully locked." A year later he added: "The promises are slowly being fulfilled, the door unlocked — but not by us." Modern Davao is, indeed, primarily a Japanese achievement. In this great frontier region the Japanese have caught the torch of progress from the hands of the unsupported American pioneers. If they have created a "little Japan" in Mindanao, they have done it by means within the law and by methods that have benefited all settlers in the region. But the Filipinos look on the accomplishment with growing apprehension.

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Davao would seem to raise serious doubts as to the validity of the conclusion, based chiefly upon experience in Formosa, that the Japanese are not successful tropical colonizers. The facts are that the Japanese colonists in this southern Philippine province have been highly successful, but that their success has been attained in an undeveloped territory from which the competition of Chinese agriculturalists has been artificially (politically) excluded. The implication of these facts seems obvious.

III. CONCLUSION

The Philippine Archipelago contains vast unutilized riches of soil, mines, forests and sea. The Filipino people, protected in an area that would support four or five times its present population, lack the capital, the character, or the numbers to develop their magnificent domain rapidly. It lies within easy reach of the crowded territories of two needy, powerful and desperately competing neighbors. Should the United States withdraw within the next few years, the new-born Philippine Republic would be a feeble state and its future would be most uncertain. Each of the two great Oriental powers would almost inevitably be impelled to protect its existing and future interests there against both internal disturbance and the encroachment of its rival. Each has its own effective methods of economic penetration, and the conflict between them already involves most of eastern Asia and its appurtenant islands from Siberia to India.

One of these competing nations has repeatedly demonstrated that it does not lack the will to use its military power, now supreme in the Orient, in support of its national policy. The other is adept with the experience of centuries in other methods of warfare and is more politically minded and physically powerful than ever before. The Filipinos themselves, helpless though they would be, would hardly stand by and unresistingly allow their land to pass into the hands of any other nation, whether by peaceful methods or by war. A generation ago, with scant organization, few arms, and no tradition of unified spirit or action, this people for two years fought the United States in the name of liberty. Finally, the Philippine Archipelago occupies a strategic relationship to the southern and eastern flanks of Japan and China which is comparable with that of Manchuria to the north and west. In any major struggle between Oriental and Occidental powers an independent Philippines would be in a position comparable with that of Belgium in August 1914.

To carry the Philippine Bill into effect under present circumstances may well produce internal chaos and international strife in the one Far Eastern area within which American responsibility is the most direct and inescapable. For the United States to follow such a course while vigorously asserting that it will protect its individual interests and meet its general obligations towards world peace in the Orient would be to pursue a policy of divided counsels, impotence and futility. The Philippine problem may have been transferred by Congress to a broader and more perilous field. It has not been solved.

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THE AMERICAN INVESTMENT IN CANADA

By William O. Scroggs

SINCE the United States became a creditor nation Canada has been the favorite field for American foreign investment. At the beginning of 1931 the investment of capital from the United States in Canada was about 30 percent greater than the combined American investment in Great Britain, Germany, France and Italy. Considerably more American capital has been invested in Canada than in the whole of South America, and American investors have purchased nearly as large an amount of the direct and guaranteed obligations of the Dominion, provincial and municipal governments of Canada as they have of bonds issued by state governments in the United States.

Estimates of American investments in foreign countries are necessarily subject to a certain margin of error, owing to the incompleteness of the records and to the constant changes as funds flow back and forth between the borrowing and the lending countries. Both the American and the Dominion governments have recently made careful estimates of the amount of capital from the United States which has been invested in Canadian securities or placed directly in Canadian industries, and although the figures show some variation, as was to be expected, they conform closely enough to furnish a fairly accurate picture of creditor and debtor relations between the two countries.

According to the United States Department of Commerce, the total American investment in Canada at the end of 1930 was approximately $3,790,000,000; according to the Dominion Bureau of Statistics, the total as of January 1, 1931, was $4,107,803,000. Two unofficial estimates of American investments in Canada as of January 1, 1931, have also been made. That compiled by Professor Kenneth W. Taylor, of McMaster University, conforms very closely to the total reported by the Department of Commerce. The estimate by Dr. Max Winkler, however, places the total at $4,436,011,000. This larger figure is due possibly to the inclusion of short-term loans by American banks and authorized new stock issues of Canadian subsidiaries of American corporations which may not have been subscribed for wholly in the United States.[1]

Before the World War the Dominion and local governments and Canadian business corporations were occasional but not heavy borrowers in the United States. Their usual course was to obtain credits in London. Canada did not borrow any considerable sum in the United States until 1911. In that year and in the three following years Canadian securities to the amount of about $121,000,000 were offered to American investors,[2] but in 1914 Canada held only fourth place among the borrowers from the United States. Latin America then stood first, with Cuba and Mexico predominating; next came the Far East —

[1] "A New Estimate of American Investments Abroad," United States Department of Commerce, *Trade Information Bulletin*, No. 781, 1931. "Estimated British and Foreign Investments in Canada," Department of Trade and Commerce, Dominion Bureau of Statistics. "American Foreign Investment in 1931," *Foreign Policy Reports*, VII, p. 429.

[2] Ralph A. Young, *Handbook on American Underwriting of Foreign Securities*, 9, 21. United States Department of Commerce, Trade Promotion Series, No. 104.

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mainly Japan, which had floated a war loan in the United States during the conflict with Russia — and then came Europe.

The war brought a profound change in the financial relations of the United States with the rest of the world. In 1914 total American investments abroad were estimated in round numbers at $2,500,000,000, but the United States was also a debtor to the amount of about $5,500,000,000. When the war ended this net indebtedness of $3,000,000,000 had been wiped out, and the United States had become the world's creditor to the extent of some $10,000,000,000. Its neighbor Canada, however, remained a debtor nation, and for the bulk of its capital requirements turned from London to New York. In 1914 the Canadian issues publicly offered in the United States amounted to only $13,419,000; in 1915 they rose to $155,740,000; in 1916, to $161,801,000; and in 1917 to $212,175,000.

Most of this borrowing was on government account, but there was a substantial increase also in the flotation of issues of Canadian corporations. The amount of corporate issues rose from less than $8,000,000 in 1914 to more than $38,000,000 in 1917. After the war, except in the trying years 1932–33, Canada floated securities in the United States at a rate ranging from ten to twenty times that in the pre-war period. The trend since 1919 is shown in the following table:

(In thousands of dollars)

Year	*Government**	*Corporate*	*Total*
1919	93,965	20,890	114,855
1920	139,828	44,050	183,878
1921	124,007	69,515	193,522
1922	130,436	37,856	168,292
1923	81,300	38,657	119,957
1924	110,629	40,990	151,619
1925	64,819	72,299	137,118
1926	64,428	161,875	226,303
1927	121,961	114,420	236,381
1928	72,027	112,839	184,866
1929	141,224	148,470	289,694
1930	183,232	98,064	281,296
1931	108,912	16,697	125,609
1932	28,655	700	29,355

* Including government-guaranteed.

After the onset of the industrial depression the flow of investment funds from the United States to Canada was much better sustained than was that to other countries. Between 1927 and 1929 the total annual flotation of foreign securities in the United States was reduced by one half, but in this same period the offerings of Canadian issues actually increased by 22 percent. In the period from 1927 to 1931 the decline for all foreign issues amounted to 83 percent,[3] while the decline in the case of Canada was only 47 percent. In 1932 the only new foreign issues publicly sold in the United States were Canadian. It is evident that Canadian credit suffered much less during the depression than did that of other borrowing countries. On the other hand, it will be noted from the

[3] The total amount of foreign issues offered in the United States, less those used for refunding loans already outstanding, declined from $1,336,760,000 in 1927 to $228,835 in 1931.

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foregoing table that Canadian corporate borrowing declined very sharply after 1929. In the boom years 1925–28 corporate security issues exceeded those of the government, but in 1931 they declined to the lowest point since the war, and in 1932 they were almost suspended.

The data compiled by the Department of Commerce indicate that approximately 52 percent of the American investment in Canada has been made through acquiring direct ownership of properties, while the remaining 48 percent has been made through the purchase of securities. These direct investments, somewhat in excess of 2,000 millions, are about double the direct American investments in Cuba, which ranks next to Canada as a field for American capital, and are more than four times the amount of such investments in Great Britain. They are a third larger than total direct American investments in all of Europe, and a fourth larger than such investments in all of South America. The large amount of direct investments in Canada is due in considerable degree to the establishment of branch factories in the Dominion by American corporations desiring to overcome tariff barriers and also to obtain the advantage of preferential tariff rates accorded to the products of Canada by other members of the British Empire.[4]

A broad classification of the total American investment based on the slightly varying estimates of the United States Department of Commerce and the Dominion Bureau of Statistics is shown in the following table:

(In thousands of dollars)

	Department of Commerce	*Bureau of Statistics*
Government securities	833,593	825,149
Railways and public utilities	1,411,590*	1,362,868
Industries	1,426,052	1,500,715
Trade, finance, etc.	246,866	419,071
Total	3,918,101	4,107,803

* Including $417,674,000 of government-guaranteed railway bonds.

The upsetting of monetary standards in both Canada and the United States has produced complications in the service of that portion of the Canadian debt which is represented by securities. For the calendar year 1933 the interest charges and maturing principal of Canadian bonds payable in American dollars has been estimated at $266,124,000. Some of these bonds, however, are held by Canadians, and for this reason the total scheduled payments exceed the amount which must actually be transferred to foreign creditors. The largest single payment during the year is due in October, with the maturity of $60,000,000 in bonds of the Dominion government.[5]

These payments on American dollar obligations are due to be made in gold or its equivalent in New York funds, but since October 21, 1931, the exportation of gold from Canada has been prohibited except under government license, and

[4] See *American Branch Factories Abroad*. Senate Document 258, Seventy-first Congress, Third Session.

[5] For this information I am indebted to Messrs. A. E. Ames & Co., Ltd., of Toronto, who have issued a valuable statistical compilation entitled "Canadian Bonds Outstanding and Maturities and Interest Payments in 1933."

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the usual practice has been to make payment on the securities held outside Canada by the purchase of exchange on New York. As Canadian currency since the gold embargo of 1931 has been at a discount of from 10 to 18 percent, the resulting premium on American dollars has increased the carrying charges on the external debt. But the Canadian holders of these bonds have had to be content with payment in depreciated domestic currency, notwithstanding the gold-payment clause in the contracts. The Dominion government has never officially abandoned the gold standard, and its notes are still nominally redeemable in gold. Technically, therefore, the government does not default when it pays the bondholders with these notes instead of with the promised gold.

The Dominion government has thus made a distinction between its domestic and its foreign creditors, which in practice has been of advantage to the foreigners. This policy is the reverse of that adopted by the United States on May 1, 1933, when it refused to permit payment in gold on the portion of its maturing obligations held by foreign investors. To American bondholders this decision was of no immediate practical importance, as the domestic purchasing power of the dollar had not declined in terms of gold. Foreign holders of these bonds, however, received payment in funds which had depreciated about 15 percent below their gold parity. This gave rise to the charge that while Canada was paying its foreign creditors 100 cents on the dollar and its domestic creditors only 85 cents, the United States was doing the opposite, paying its foreign creditors 85 cents on the dollar, and its domestic creditors 100 cents.

The mathematical accuracy of this contention may be challenged, but another point has been raised which is fundamentally more important. The Canadian bonds were primarily an external issue, and the obligation to foreign holders was therefore of a peculiar character and might justify the special consideration of such creditors. The United States bonds, on the other hand, were floated in the home market, and any foreign purchases were a mere side incident. There was no appeal to outside investors to buy American securities, and so it was argued that there was no reason why they should receive favored treatment which was denied to Americans.

Soon after the United States went off the gold standard, the question of the validity of the gold-payment clauses in American bonds was brought before the courts. A New York State court ruled that payment on such bonds might be made in currency other than gold. Congress soon afterward legislated to the same effect. The issue may finally be carried to the Supreme Court of the United States, and its ruling may have an important bearing on the debtor-creditor relations between Canada and the United States.

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SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

By William L. Langer

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DEMOCRACY IN CRISIS. By HAROLD LASKI. Chapel Hill: University of North Carolina Press, 1933, 267 p. $1.50.

A collection of provocative lectures by a well-known British theorist.

A TREATISE ON THE STATE. By LEONIDAS PITAMIC. Baltimore: Furst, 1933, 311 p. $2.75.

Written by the present Jugoslav minister at Washington, this general treatise gives an admirable survey of present European thought on political organization.

THE INTERDEPENDENT WORLD AND ITS PROBLEMS. By RAMSAY MUIR. Boston: Houghton Mifflin, 1933, 216 p. $1.75.

A survey of present day political and economic problems, offering little that is new.

THIS TROUBLED WORLD. By JOHN DRINKWATER. New York: Columbia University Press, 1933, 105 p. $1.50.

A dramatist takes stock of our civilization.

THE RELIGIOUS FOUNDATIONS OF INTERNATIONALISM. By NORMAN BENTWICH. London: Allen and Unwin, 1933, 288 p. 10/6.

A review of the influence of religions on the evolution of international law and peace, forcefully and interestingly presented by a well-known British jurist.

TŘI PŘEDNÁŠKY O NACIONALISMU. By JAN SLAVÍK, ZDENĚK NEJEDLÝ AND J. B. KOZÁK. Prague: Svaz Národního Osvobození, 1932, 77 p. Kč. 5.

Three lectures on nationalism by Czech writers who are not uncritical of their own national movement.

INTERNATIONAL POLITICS. By FREDERICK LEWIS SCHUMAN. New York: McGraw-Hill, 1933, 943 p. $4.00.

This is the most comprehensive general introduction to the study of international relations. The author, already known for his books on American relations with Russia and for his study of French foreign policy, attempts to cover practically all aspects of the subject, from the history of international relations through the organization of international law and League machinery to the major problems of the present day, such as reparations, Far Eastern crises, etc. The volume shows the result of wide reading, and is equipped with much bibliographical and statistical matter. It is chiefly distinguished by the unconventionality of the approach, and by the author's constant stress upon dominant forces such as patriotism, imperialism and the cult of power.

THE UNFINISHED TASK. By SIR FREDERICK WHYTE. Boston: Houghton Mifflin, 1933, 52 p. $1.50.

An essay on the subject of international coöperation, with special reference to the Far Eastern problem, by an authority in the field.

THE LEAGUE OF NATIONS IN THEORY AND PRACTICE. By C. K. WEBSTER. London: Allen and Unwin, 1933, 320 p. 10/.

This is a general survey of the organization and working of the League which is

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bound to take its place among the few good books on the subject. Written by a prominent English authority, it unites scholarship and practical sense.

FORCE IN PEACE. By Albert E. Hindmarsh. Cambridge: Harvard University Press, 1933, 249 p. $2.50.

A timely volume, giving a scholarly survey of the use of force short of war and examining the vexed problem of further sanctions to enforce peace.

DIE POLITIK DEUTSCHLANDS IM VÖLKERBUND. By Ernst Jäckh and Wolfgang Schwarz. Geneva: Kundig, 1932, 96 p. M. 6.

The latest of a series of studies surveying the policy and contribution of various states to the work of the League.

DIE VERTEIDIGUNGSPFLICHT DER GLIEDSTAATEN DES VÖLKERBUNDES. By Paul Weber. Zurich: Lehmann, 1932, 224 p. Fr. 6.50.

A technical investigation of the obligation of members of the League to maintain minimum armaments for national security and for sanctions, under articles 8, 10 and 16 of the Covenant.

DISCORSI ALLA SOCIETÀ DELLE NAZIONI. By V. Scialoja. Rome: Istituto Italiano di Diritto Internazionale, 1933, 411 p. L. 50.

A convenient collection of the League speeches of an Italian jurist and statesman.

PAESI SOTTO MANDATO. By G. Ambrosini. Milan: Treves, 1933, 200 p. L. 18.

An examination of the legal status of the inhabitants of mandated areas.

GESAMMELTE SCHRIFTEN ZUR MINDERHEITENFRAGE. By Carl George Bruns. Berlin: Heymanns, 1933, 308 p. M. 9.

A number of valuable articles on minorities rights by the man who served as legal adviser to European minorities organizations.

THE PROBLEM OF DISARMAMENT. Edited by Richard Schmidt and Adolf Grabowsky. Berlin: Heymanns, 1933, 235 p.

The revised English edition of a valuable supplement of the *Zeitschrift für Politik*. The volume consists of a number of essays by leading German authorities (Neurath, Curtius, Groener, Schaer, Schwendemann, Montgelas, and others) dealing with all aspects of the disarmament problem and the conference. The various articles naturally enough reflect the German viewpoint, but for that very reason they will be of particular interest to the English-speaking world. In the appendices the editors have brought together the essential documentary and statistical material.

THE GREAT ILLUSION. 1933. By Sir Norman Angell. New York: Putnam, 1933, 308 p. $2.50.

This is a new and revised version of the author's famous presentation of the economic case against war, reconstructed in the light of post-war problems.

THE FIGHT AGAINST WAR. By Albert Einstein. New York: Day, 1933, 64 p. 25 cents.

A collection of brief pronouncements against war, by the well-known scientist.

SVĚTOVÉ ODZBROJENÍ. By Jaroslav Kraus. Prague: Orbis, 1933, 316 p. Kč. 50.

A detailed study of disarmament in its technical, legal and political aspects, by the editor of the *Central European Observer*.

DER VERSAILLER VERTRAG UND DIE ABRÜSTUNG. By Karl Schilling. Berlin: Dümmler, 1933, 94 p. M. 4.

Another exposition of Germany's claim to equality under the terms of the Treaty.

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General: Economic

MODERN FOREIGN EXCHANGE. By Franklin Escher. New York: Macmillan, 1932, 234 p. $2.00.
An introductory account which can be warmly recommended to the layman.

FACING THE FACTS. Edited by J. G. Smith. New York: Putnam, 1933, 300 p. $3.00.
A collection of twelve essays by Princeton economists, reviewing the major economic issues of the present day.

THE WORLD ECONOMIC CRISIS, 1929–1932. By Paul Einzig. New York: Macmillan, 1933, 192 p. $2.25.
A review of the past few years, by a fluent economic journalist.

ECONOMICS OF A CHANGING WORLD. By H. V. Hodson. New York: Smith and Haas, 1933, 276 p. $2.50.
Written by a well-known English economist, this is one of the best non-technical surveys of current economic problems.

WIRTSCHAFT UND STAAT. By Eduard Salin. Berlin: Hobbing, 1932, 207 p. M. 4.20.
Three essays dealing chiefly with the evolution of post-war economic theory and conditions, by a German authority on reparations.

THE WRECK OF REPARATIONS. By John W. Wheeler-Bennett. New York: Morrow, 1933, 295 p. $3.00.
A useful summary of the political aspects of the reparations question with special reference to the Lausanne Conference.

LE PROBLÈME DES DETTES. By Édouard Herriot. Paris: Fasquelle, 1933, 128 p. Fr. 12.
A convenient edition of Herriot speeches in parliament in December 1932.

THE A B C OF WAR DEBTS. By Frank Herbert Simonds. New York: Harper, 1933, 77 p. $1.00.
As viewed by a well-known American correspondent, who perhaps tends to oversimplify in the interests of forcefulness and clarity.

WILL THEY PAY? By Dorsey Richardson. Philadelphia: Lippincott, 1933, 169 p. $1.00.
Another introduction to the war debt embroglio.

THE FIGHT FOR FINANCIAL SUPREMACY. By Paul Einzig. New York: Macmillan, 1933, 194 p. $2.25.
The story of the triangular struggle between London, New York and Paris.

WALL STREET UND DIE DEUTSCHEN ANLEIHEN. By Robert Kuczynski. Leipzig: Buske, 1933, 174 p. M. 5.50.
An interesting and able presentation of the facts connected with the flotation of post-war German loans, by a leading German economist of liberal convictions.

FRANKREICH UND SEIN GELD. By Salomon Wolff. Frankfurt: Societäts Druckerei, 1933, 249 p. M. 3.80.
The author makes much of France's responsibility for the world financial crisis.

WIRTSCHAFTSFRAGEN DER GEGENWART. By Hans Luther. Jena: Fischer, 1932, 76 p. M. 2.
An address in which the former president of the Reichsbank and present ambassador at Washington defends the policy of the Bank and the gold standard.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CREDIT AND PEACE. By Feliks Mlynarski. New York: Macmillan, 1933, 92 p. $1.25.

A leading Polish authority analyzes the credit aspect of the present crisis and makes suggestions for the reform of long-term credits, banking policy, budgets, etc.

THE COMEDY OF THE POUND. By Paul Einzig. London: Paul, 1933, 204 p. 7/6.

A vivid picture of recent British financial manipulations.

PLANNED MONEY. By Sir Basil P. Blackett. New York: Appleton, 1933, 201 p. $1.50.

A survey of the present monetary crisis followed by a detailed plan for controlled currency to regulate the price level. An important book, written by a director of the Bank of England.

STABLE MONEY. By Robert Eisler. London: Search Publishing Company, 1933, 341 p. 15/.

A discussion of the whole world crisis in its monetary aspects, together with an expanded restatement of the complicated scheme for monetary reform first put forward in the author's book "The Money Maze."

LES DOCTRINES MONÉTAIRES À L'ÉPREUVE DES FAITS. By François Piétri and others. Paris: Alcan, 1932, 232 p.

Lectures at the *École des Sciences Politiques*. The authors examine the money problem, the banks of issue, the gold standard and the gold exchange standard.

L'ÉTALON-OR EN THÉORIE ET EN PRATIQUE. By X. Zolotas. Paris: Sirey, 1933, 266 p. Fr. 25.

A technical treatise by a Greek financier.

THE INTERNATIONAL LABOR ORGANIZATION. Edited by Alice S. Cheyney. Philadelphia: American Academy of Political and Social Science, 1933, 239 p. $2.50.

This is really a volume of the Academy's *Annals*, issued separately. It contains articles by many authors, touching various aspects of the Labor Organization, especially international aspects and relations with the United States.

International Relations of the United States

WOODROW WILSON: THE MAN WHO LIVES ON. By John Kennedy Winkler. New York: Vanguard, 1933, 310 p. $3.50.

A sympathetic biography, which adds relatively little that is new.

BREASTING WORLD FRONTIERS. By Vernon Boyd Hampton. Stapleton, New York: Willig, 1933, 129 p. $1.75.

A tribute to the work of Hoover, especially during his presidency.

LOOKING FORWARD. By Franklin Delano Roosevelt. New York: Day, 1933, 279 p. $2.50.

The speeches and articles of the president, giving a convenient summary of his views.

INEVITABLE WAR. By Lieutenant-Colonel Richard Stockton. New York: Perth, 1932, 831 p. $7.50.

The author shows why neither World Court nor League can prevent future conflict and why national preparedness is indispensable.

AMERICA ON TRIAL. By Phelps Phelps. New York: Powers, 1933, 115 p. $2.00.

A critical review of the American scene, economic and political.

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IN DEFENSE OF THE SENATE. By Royden James Dangerfield. Norman: University of Oklahoma Press, 1933, 382 p. $4.00.

The Senate has been frequently accused of misuse of its treaty-making power and has been held by many writers to be largely responsible for the difficulties of American foreign policy. This book attempts to give a corrective to that view. The author has examined in detail the history of the Senate's treaty-making power and its handling of the treaties laid before it. He finds that relatively few treaties have been rejected, that the Senate cannot be justly accused of unnecessary procrastination in dealing with treaties, and that the action of the Foreign Relations Committee has been, on the whole, competent and careful.

THE EIGHTEENTH AMENDMENT AND OUR FOREIGN RELATIONS. By Robert L. Jones. New York: Crowell, 1933, 199 p. $1.75.

A much-needed scholarly monograph on the international aspects of prohibition enforcement. The author reviews the leading cases that have come up and analyzes the agreements that have been made with other nations.

HAWAII AND ITS RACE PROBLEM. By William Atherton Du Puy. Washington: Government Printing Office, 1933, 139 p. $1.00.

A former assistant secretary of the interior re-examines the Hawaiian situation, stressing the idea of the melting pot.

THE DIPLOMATIC PROTECTION OF AMERICANS IN MEXICO. By Frederick Sherwood Dunn. New York: Columbia University Press, 1933, 446 p. $5.00.

A volume in the series "Mexico in International Finance and Diplomacy." An excellent treatment of a difficult subject.

The World War

BEGINNING THE TWENTIETH CENTURY. By Joseph Ward Swain. New York: Norton, 1933, 631 p. $4.75.

A well-informed and well-written text on the history of Europe from 1900 to the end of the war.

DEUTSCHLAND FREIGESPROCHEN. By Kurt Jagow. Leipzig: Koehler, 1933, 180 p. M. 2.85.

The July crisis reviewed, with some new material from the archives of the former emperor. A competent presentation of the German viewpoint.

FRENCH AND GERMAN PUBLIC OPINION ON DECLARED WAR AIMS, 1914–1918. By Ebba Dahlin. Stanford: Stanford University Press, 1933, 168 p.

A useful compilation of newspaper and other material.

LES ARMÉES FRANÇAISES DANS LA GRANDE GUERRE. Paris: Imprimerie Nationale, 1933, Fr. 920.

Tome I, volume 3 of the French official history, with several volumes of documents and maps. The period here covered is that from September 6 to 14, 1914, that is, the period of the battle of the Marne.

FOCH À LA MARNE. By Robert Villate. Paris: Charles Lavauzelle, 1933, 286 p. Fr. 20.

A detailed study of the work of the Ninth Army between September 5 and 10, 1914.

DIE AUSGEBLIEBENE SEESCHLACHT. By Paul Sethe. Berlin: Mittler, 1933, 138 p. M. 4.80.

An important study of British naval strategy from 1911 to 1915 and particularly of the plans for an offense on the German coasts in 1914–1915.

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ELECTRONIC REPRODUCTION PROHIBITED

LA CONDOTTA ECONOMICA E GLI EFFETTI SOCIALI DELLA GUERRA ITALIANA. By Luigi Einaudi. New Haven: Yale University Press, 1933, 444 p. $5.50.

The latest volume in the Carnegie Series. A valuable study of Italy in the war and immediate post-war periods, which might well be translated into English.

LUXEMBURG IM KRIEGE, 1914–1918. By Ernest Faber. Mersch: Faber, 1933, 187 p. M. 3.60.

Hardly more than a chronicle of events in Luxembourg, written by an official.

AMERICA IN THE WORLD WAR. By James Guthrie Harbord. Boston: Houghton Mifflin, 1933, 111 p. $2.00.

A review of the work of the American Expeditionary Force, by its chief of staff.

VIER JAHRE KAMPF UMS HEILIGE LAND. By Paul Range. Oeynhausen: Meyer, 1932, 83 p. M. 2.50.

Recollections of the war on the Palestine front 1914–1918, valuable because of the paucity of material on the Turkish side.

SMOKE ON THE HORIZON. By Vice Admiral C. V. Usborne. London: Hodder and Stoughton, 1933, 327 p. 18/.

Reminiscences of fighting in the Mediterranean, with special reference to the Dardanelles campaign and the struggle against submarines in the Adriatic.

MILITARY OPERATIONS. MACEDONIA. London: His Majesty's Stationery Office, 1933, 12/6.

The first volume of the British official history dealing with the Macedonian campaign. The period covered is that from 1914 to the spring of 1917.

CAMPAGNES DE L'ARMÉE ROUMAINE, 1916–1919. By Colonel Bujac. Paris: Charles-Lavauzelle, 1933, 256 p. Fr. 20.

An authoritative account of the Rumanian campaign, by a French military historian.

THE DARK INVADER. By Captain von Rintelen. London: Dickson, 1933, 288 p. 9/.

The reminiscences of a German naval intelligence officer, with a full account of his operations in the United States.

Western Europe

THE BEGINNINGS OF TOMORROW. By Herbert Adolphus Miller. New York: Stokes, 1933, 310 p. $2.50.

Current world problems approached from the sociological standpoint.

THE CHALLENGE OF EUROPE. By George Sherwood Eddy. New York: Farrar and Rinehart, 1933, 344 p. $2.50.

A well-known political and evangelical writer surveys the present situation.

AGRICULTURAL SYSTEMS OF MIDDLE EUROPE. Edited by O. S. Morgan. New York: Macmillan, 1933, 424 p. $500.

The volume consists of essays on agricultural conditions and policies in the Succession States and in the Balkans. Each contribution is written by an expert and consists not merely of descriptive material, but of a critical examination of agrarian policies and suggestions for remedying the régime of extreme nationalism. Much little-known material is presented in the book, which for the first time supplies within two covers a picture of the most urgent problem of a large part of Europe.

L'HEURE DE LA FRANCE. By E. Bélime. Paris: Alcan, 1933, 168 p.

A provocative discussion of the present crisis, with special reference to the opportunities for France to help the world out of the morass.

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ELECTRONIC REPRODUCTION PROHIBITED

LA FRANCE ET LA NOUVELLE EUROPE. By Édouard Beneš. Paris: Nouvelle Revue Française, 1933, 96 p. Fr. 15.
An address delivered by the Czech foreign minister at the *Academie des Sciences*.

POINCARÉ PARLE. By Adam de Villiers. Paris: Tallandier, 1933, Fr. 25.
Really the story of Poincaré's career as told by himself and his friends.

CLEMENCEAU AU SOIR DE SA VIE. By General Mordacq. Paris: Plon, 2 v., Fr. 27.
An important contribution, written by one of Clemenceau's intimates, supplementing his earlier treatments of the Tiger's policies during the war period.

CAILLAUX. By Alfred Fabre-Luce. Paris: Nouvelle Revue Française, 1933, Fr. 15.
A sympathetic and well-written study of the man and the policy.

VERFALL UND WIEDERAUFBAU DER FRANZÖSISCHEN WÄHRUNG. By Horst Rollitz. Berlin: Heymann, 1933, 293 p. M. 16.
A scholarly history of the French currency from 1914 to 1932, with special stress on the debt problem.

LA MARINE FRANÇAISE. By Vice Admiral Salaün. Paris: Éditions de France, 1933, Fr. 30.
A semi-popular history of the French navy in the time of the Third Republic. Useful for want of something better.

LA BELGIQUE VIVANTE. By Georges Suarez. Paris: Desclee, 1933, 124 p. Fr. 10.
Journalistic sketches of post-war Belgium.

BELGIQUE: CARREFOUR DE L'OCCIDENT. By Paul Colin. Paris: Rieder, 1933, Fr. 40.
A more profound survey of conditions and problems in restored Belgium.

L'ESPAGNE. By B. Mirkine-Guetzevitch and Egidio Reale. Paris: Delagrave, 1933, 128 p.
A brief introduction to the politics of Spain, in the series *Documents de Politique Contemporaine*. A large part of the volume is devoted to documents.

UNA POLÍTICA. By Manuel Azaña. Madrid: Espasa Calpe, 1932, 702 p. Pes. 8.
A collection of more than forty speeches delivered between 1930 and 1932 by the Spanish prime minister, giving a good picture of his views and policies.

MANUEL AZAÑA. By Ernesto Gimenez Caballero. Madrid: Gaceta Literaría, 1932, Pes. 5.
A thoroughly modernistic study of the prime minister and his policies.

PROCESO DEL CATALANISMO. By Manuel Casás Fernández. Coruña: Compañía Ibero-Americana, 1932, 320 p. Pes. 7.
The author discusses the literary and political antecedents of the Catalan movement.

L'ESTATUT DE CATALUNYA. By C. Masso i Escafet and R. Gay de Montella. Barcelona: Bosch, 1933, 202 p. Pes. 11.
The official text of the Catalan statute, with commentary and notes on the discussion in parliament.

SALAZAR. By Antonio Ferro. Lisbon: Empresa Nacional, 1933, Esc. 10.
Five interviews with the Portuguese prime minister, in which the latter expounds his views and policies.

MODERN ITALY. By George Brinton McClellan. Princeton: Princeton University Press, 1933, 329 p. $3.00.
A good general history of Italy from the time of Cavour to the present.

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ROME SOUS LE FAISCEAU. By Paul Gentizon. Paris: Fasquelle, 1933, Fr. 12.
A collection of essays on political, literary, religious and other aspects of the present régime in Italy, by a French journalist who has lived there for years.

VERSO L'INTERNATIONALE FASCISTA. By Asvero Gravelli. Rome: Nuova Europa, 1932, 243 p. L. 12.
An argument for the general adoption of Fascism, together with an account of the Fascist parties in other countries.

PEACE PATROL. By Lieutenant Colonel Stewart Roddie. New York: Putnam, 1933, 338 p. $3.50.
Somewhat disjointed, but interesting and instructive pictures of post-war Germany as seen by a member of the British military mission.

VERMÄCHTNIS. By Gustav Stresemann. Berlin: Ullstein, 1933, 608 p. M. 13.
The third and concluding volume of the German statesman's important papers, covering the period from Thoiry to his death.

THE CRISIS OF GERMAN DEMOCRACY. By Herbert Kraus. Princeton: Princeton University Press, 1932, 241 p. $2.50.
One of the very best surveys of the development of German democracy since the war, with discussion of the constitution and its working, the decline of the Reichstag and the growth of presidential power, the revival of military power, etc.

THE GERMAN PARADOX. By A. Plutynski. London: Wishart, 1933, 231 p. 6/.
A review of the political and economic life of Germany, with particular stress on the East Prussian problem.

SPOTLIGHT ON GERMANY. By Erich Roll. London: Faber, 1933, 302 p. 7/6.
Primarily a study of German economic policies since the war, with reference to their political and social effects.

DAS VOLK OHNE POLITIK. By Paul Seelhoff. Berlin: Union, 1933, 243 p. M. 3.80.
A writer made famous by his book on the French here presents a historical and psychological analysis of the Germans, coming to the conclusion that they should not try to be liberal.

UND DENNOCH AUFWÄRTS. By Erich Koch-Weser. Berlin: Ullstein, 1933, 292 p. M. 3.
A liberal political leader's appraisal of political and social forces in contemporary Germany.

HITLERS KAMPF UM DIE MACHT. By Edgar von Schmidt-Pauli. Berlin: Stilke, 1933, 205 p. M. 3.50.
An outspokenly nationalistic account of the Hitler movement.

HITLER: EINE DEUTSCHE BEWEGUNG. By Erich Czech-Jochberg. Oldenburg: Stalling, 1933, 216 p. M. 2.85.
A new edition of a book that has sold by the tens of thousands in Germany.

DAS A B C DES NATIONALSOZIALISMUS. By Curt Rosten. Berlin: Schmidt, 1933, 226 p. M. 6.80.
One of the better propagandist publications.

WIRTSCHAFTSSYSTEM DES NATIONALSOZIALISMUS. By H. Bräutigam. Berlin: Heymann, 1932, 97 p. M. 3.
An attempt to establish a systematic economic program for the Nazi movement.

DEUTSCHE WEHRMACHT. By Friedrich Stuhlmann. Berlin: Möbius, 1933, 271 p. M 35.
A well-illustrated account of the German military machine from 1914 to the present.

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ELECTRONIC REPRODUCTION PROHIBITED

DIE REICHSWEHR. By Hans von Seeckt. Leipzig: Kittler, 1933, 140 p. M. 3.
A history of the new army and its organization, written along broad lines.

DEUTSCHLAND UND DER KORRIDOR. By Friedrich Heiss and Arnold Ziegfeld. Berlin: Volk und Reich, 1933, 495 p. M. 5.50.
An elaborate presentation of the German view, intended as a counterblast to recent Polish and French writings.

Eastern Europe

DIE ALANDFRAGE. By Friedrich Vortisch. Berlin: Heymann, 1933, 214 p. M. 10.
The Aaland Islands question, treated historically and legally.

DZIESIĘĆ LAT PRZYNALEZNOŚCI SLĄSKA DO RZECZYPOSPOLITEJ. By S. Janicki. Kattowitz: 1932, 467 p.
A review of ten years of Polish administration in Polish Silesia.

LA LITHUANIE. By André Bossin. Paris: Rieder, 1933, Fr. 18.
A general descriptive outline, in the series *Les États Contemporaines.*

LA LITUANIA NELLA STORIA E NEL PRESENTE. By N. Turchi. Rome: Istituto per l'Europa Orientale, 1932, 232 p. L. 20.
One of the best general studies of the new Lithuania.

RUSSIA U. S. S. R. Edited by P. Malevsky-Malevitch. New York: Payson, 1933, 727 p. $10.00.
A detailed survey of many aspects of Russian life. Written by twenty contributors and based largely on Soviet materials.

THE NEW RUSSIA. Edited by Jerome Davis. New York: Day, 1933, 279 p. $2.50.
A collection of studies by a group of American economists and sociologists, aiming to give a dispassionate and non-controversial account of Russia and Russian problems.

TWELVE STUDIES IN SOVIET RUSSIA. Edited by Margaret I. Cole. London: Gollancz, 1933, 283 p. 5/.
A similar enterprise, published for the New Fabian Research Bureau, giving a good picture of the worker and the peasant in the contemporary Russia.

DANS LES COULISSES DU KREMLIN. By S. Dmitrievsky. Paris: Plon, 1933, 236 p. Fr. 12.
The revelations of a former Bolshevik official.

IN PLACE OF PROFIT. By Harry Frederick Ward. New York: Scribner, 1933, 476 p. $2.50.
An interesting attempt to analyze the motives behind the Russian experiment and the new mentality of the Russian people. The author has had considerable experience of Russia and knows his ground. His book is less a study of conditions than a study of psychology and organization. Much space is devoted to an investigation of the initiative of the masses, as expressed in various movements and organizations. Other parts of the book deal with the forms of control in the Soviet state, that is, with the communist party, its relation to the masses, and so on, and with the Bolshevik philosophy that lies behind it all.

RUSSIA'S DECISIVE YEAR. By Ellery Walter. New York: Putnam, 1933, 282 p. $3.
The disillusionment of an American journalist who went to Russia sympathetically disposed towards the new régime.

STALIN'S LADDER. By Elias Tobenkin. New York: Minton Balch, 1933, 318 p. $2.50.
A discussion of the Russian scene, with special reference to the question of war and peace, by a man who lived in Russia as a worker.

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EIMI. By E. E. Cummings. New York: Covici-Friede, 1933, 432 p. $3.00.
Rather jumbled impressions of a three weeks' stay in the Soviet Union.

GESCHICHTE DER TSCHECHOSLOWAKEI. By K. Krofta. Berlin: Reiss, 1932, 168 p. M. 4.20.
The translation from the Czech of what is probably the best short history of the new state. The author is a well-known Czech historian and official.

LA TCHÉCOSLOVAQUIE AU TRAVAIL. By G. Lefond and P. Desfeuilles. Paris: Roger, 1933, Fr. 15.
A fairly good general descriptive book, largely non-political.

ČESKÁ MAFIE. By J. Hajšman. Prague: Janda, 1932, 277 p.
Recollections of the struggle against the Germans during the war.

ČESKOSLOVENSKÁ VLASTIVĚDA. Edited by Jan Kapras. Prague: Janda, 1931, 706 p. Kč. 300.
One of the volumes published by the Masaryk Academy. The best coöperative study of the political structure of the new state.

DĚJINY KOMUNISTICKÉ STRANY ČESKOSLOVENSKA. By P. Reimánn. Prague: Borecký, 1931, 280 p.
A history of the Czech communist party, with many documents.

AN UNDIPLOMATIC DIARY. By Major-General Harry Hill Bandholtz. New York: Columbia University Press, 1933, 425 p. $3.50.
This is a very valuable contribution to the history of Hungary in the years immediately following the armistice. General Bandholtz was the American representative on the Inter-Allied Military Mission and was therefore deeply involved in the events of 1919–1920. His day-by-day diary was not intended for publication and has been printed posthumously. One is not surprised, therefore, to find in it an absolutely unvarnished record of developments, with a very complete picture of the chaos in Hungary just after the war. The most important part of the diary is that dealing with the Rumanian invasion and occupation. The American general was very critical of Allied policy and is unsparing in his indictment of the Rumanian adventure.

ARPAD BLESSÉ, OU LA HONGRIE NOUVELLE. By E. Paumès. Paris: d'Hartoy, 1933, Fr. 12.
A general survey of the new Hungary, written in a sympathetic strain.

L'UNGHERIA. By Elio Migliorini. Rome: Cremonese, 1933, 180 p. L. 6.50.
Another general descriptive work, of rather better quality than the preceding.

LA CRISE DE LA MONNAIE ET LA RESTAURATION DES PAYS DANUBIENS. By Joseph Chappey. Paris: Giard, 1933, 234 p. Fr. 30.
An analysis of the financial crisis in the Danubian area.

ROUMANIE. By G. Alexiano, M. Antonesco and others. Paris: Delagrave, 1933, 490 p. Fr. 36.
A general account of the political structure, party life, legal system, economic problems, etc., by a group of experts.

IMMER WIEDER SERBIEN. By Florian Lichtträger. Berlin: Verlag für Kulturpolitik, 1933, 203 p. M. 5.50.
Allegedly written by a prominent Jugoslav. A bitter attack on the existing régime.

ALBANIEN, DAS WUNSCHLAND MUSSOLINIS. By Trandafile Omer Nishani. Halle: Hernicke, 1933, 150 p. M. 3.80.
Contemporary Albania, with stress on international aspects and the Italian policy.

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The British Commonwealth of Nations

THE CONSTITUTIONAL LAW OF THE BRITISH DOMINIONS. By Arthur B. Keith. New York: Macmillan, 1933, 548 p. $5.00.

The work of a leading authority. A standard treatment of the situation as it results from the Statute of Westminster.

THE PEOPLE AND THE CONSTITUTION. By Cecil S. Emden. New York: Oxford University Press, 1933, 336 p. $4.00.

An interesting and important scholarly contribution, in which the author traces the growing influence of the masses in British political life and analyzes the method by which this influence is brought to bear on the government.

L'ILE ET L'EUROPE. By Jacques Bardoux. Paris: Delagrave, 1933, 520 p. Fr. 20.

A well-known writer on British policy reviews the years 1930–1932, examining particularly England's changing relations to France and her leanings towards revisionism.

BRITISH BUDGETS. Third series. By Sir Bernard Mallet and C. Oswald George. London: Macmillan, 1933, 602 p. 30/.

The concluding volume of an important book. The budgets here analyzed are those for the years 1921 to 1933.

ALFRED MOND, FIRST LORD MELCHETT. By Hector Bolitho. New York: Appleton, 1933, 405 p. $5.00.

The authorized life of the late British industrialist and statesman.

DE VALERA. By Denis Gwynn. London: Jarrolds, 1933, 286 p. 12/6.

Easily the best biography of the Irish leader at present available.

SOUTH AFRICA, 1652–1933. By Alan F. Hattersley. London: Butterworth, 1933, 256 p. 2/6.

A new volume in the *Home University Library*.

INDIA MARCHES PAST. By R. J. Minney. New York: Appleton, 1933, 292 p. $5.00.

A good book on India, which, though brief, gives a reliable picture of the historical evolution of the country, the chief characteristics of Indian society, and the formulation of the present situation.

INCOMPARABLE INDIA. By Robert J. Blackham. London: Low, 1933, 320 p. 12/6.

A mine of sociological information, presented by a sympathetic writer.

THE INDIA WE SAW. By Edward Cadogan. London: Murray, 1933, 310 p. 7/6.

The history and work of the Simon Commission, by one of its members. A valuable contribution to the story of recent developments.

The Near East

LE REVEIL DE L'ISLAM ET DES ARABES. By Eugène Jung. Paris: Jung, 1933, 124 p. Fr. 6.

The latest book by a writer who has dealt with the Arab problem for the last quarter century.

THE TURKISH PRESS. Edited by Lufty Levonian. London: Paul, 1933, 216 p. 5/.

Selections from the Turkish press in the years 1925–1932, dealing chiefly with the reforms and with religious issues.

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THE INDEPENDENT ARAB. By Sir Hubert Young. London: Murray, 1933, 254 p. 15/.

Amusing and informing pictures of life in Arabia and Iraq during and after the war, by a British official in the Iraq Government.

RED SEA NIGHTS. By William J. Makin. New York: Macmillan, 1933, 337 p. $3.00.

A journalist's interesting account of travel in the Arabian sea-ports, Abyssinia, Somaliland and Cairo.

EGYPT SINCE CROMER. By Lord Lloyd. New York: Macmillan, 1933, 401 p. $5.50.

The first volume of an important history of the Egyptian question since 1906. The period here covered reaches to the end of the war. The book is critical of the British foreign office and has already led to much argument and recrimination.

ISLAM AND MODERNISM IN EGYPT. By Charles C. Adams. New York: Oxford University Press, 1933, 283 p. $2.25.

A scholarly study of the modern reform movement in Egypt, with particular reference to the career and teaching of Muhammad Abduh.

THE TRAGEDY OF AMANULLAH. By Sirdar Ikbal Ali Shah. London: Ouseley, 1933, 288 p. 18/.

An important study not only of Amanullah's policies, but of the whole Afghan situation, domestic and foreign.

DIE ENTWICKLUNG AFGHANISTANS ALS STAAT. By Joseph Schwager. Leipzig: Noske, 1932, 100 p. M. 5.

A monograph which lays much stress on Afghanistan's foreign relations.

Africa

L'AFRIQUE: CHAMP D'EXPANSION DE L'EUROPE. By E. L. Guernier. Paris: Colin, 1933, 284 p. Fr. 25.

Written by a high French official. A plan for relieving population pressure in Europe and meeting economic problems by social, religious and scientific penetration of Africa.

LA LIBIA ITALIANA. By T. M. Taraschi. Naples: Simone, 1933, 191 p. L. 15.

The conquest of Libya, and an account of the diplomatic preparations.

SULLA QUESTIONE TUNISINA. By A. S. R. Rome: Signorelli, 1933, 166 p. L. 12.

A thorough study of the perennial Tunisian problem from the Italian side.

L'ETIOPIA MODERNA NELLE SUE RELAZIONI INTERNAZIONALI. By M. Pigli. Padua: Cedam, 1932, 297 p. L. 20.

The first systematic history of Abyssinian foreign relations from 1859 to 1931.

SUR LES ROUTES DU CAMEROUN. By Maurice Rondet-Saint. Paris: Société d'Éditions Géographiques, 1933, 250 p. Fr. 12.

Travel studies of the Cameroons and French Equatorial Africa, by a competent observer.

The Far East

ORES AND INDUSTRY IN THE FAR EAST. By H. Foster Bain. New York: Council on Foreign Relations, 1933, 288 p. $3.00.

A revised and enlarged edition of an authoritative work first published in 1927. The author, an experienced mining engineer, describes the limitations on the development of an industrial civilization in the Far East.

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CHINA'S FOREIGN RELATIONS, 1917–1931. By Robert T. Pollard. New York: Macmillan, 1933, 426 p. $3.50.

This book is evidently conceived as something like a continuation of Morse's "International Relations of the Chinese Empire," and it is indeed a useful systematic account of the evolution of China's international position with special reference to the struggle against the unequal treaties. The author approaches his subject in a detached and scholarly way, and bases his account on the voluminous official material as well as upon newspaper and other information.

V. K. WELLINGTON KOO'S FOREIGN POLICY. By Wunsz King. Shanghai: Kelly and Walsh, 1931, 141 p.

A selection of documents.

THE CASE FOR CHINA. By H. C. Thomson. New York: Scribner, 1933, 322 p. $2.75.

This book is the work of a leading British correspondent who has known China since the days of the Boxer rising. It consists of recollections and reflections on China during the last generation, with stress on the policies of the powers in the Far East. The author is disposed to blame the European powers for failure to help China along the road to reform, and urges recognition of the demands of the nationalists in order to prevent a Chinese alliance with Russia. Though the book is somewhat disjointed and spotty, it is marked by greater breadth of view than most books on current problems.

THE MIND OF CHINA. By Edwin D. Harvey. New Haven: Yale University Press, 1933, 331 p. $3.50.

A scholarly study of Chinese religious practices and superstitions, with extensive quotations from Chinese literary sources.

DIE CHINESISCHE AUSWANDERUNG. By H. Mosolff. Rostock: Hinstorff, 1932, 518 p. M. 15.

A good treatment of Chinese emigration, historical and analytical. There is also a section on the conditions of the Chinese abroad.

THREE KINGDOMS OF INDO-CHINA. By Harold Jefferson Coolidge, Jr. and Theodore Roosevelt. New York: Crowell, 1933, 331 p. $3.00.

A beautifully illustrated and thoroughly interesting record of an expedition through the interior.

JAPAN: MISTRESS OF THE PACIFIC? By P. T. Etherton and H. Hessell Tiltman. London: Jarrolds, 1933, 302 p. 16/.

A survey of the Far Eastern danger by well-known writers. Somewhat sensational, but on the whole sound.

MANCHURIA YEAR BOOK, 1932–1933. Tokyo: East-Asiatic Economic Investigation Bureau, 1932, 530 p.

A Japanese publication, but reasonably thorough and impartial.

MANCHOUKUO, CHILD OF CONFLICT. By K. K. Kawakami. New York: Macmillan, 1933, 311 p. $2.00.

In this latest volume the well-known Japanese correspondent reviews the Manchurian problem, making no bones about discussing the seamy sides and frankly facing the difficulties raised by recent developments.

A VISIT TO MANCHUKUO. By H. G. W. Woodhead. Shanghai: Mercury Press, 1932, 112 p.

The impressions of the editor of the China Year Book gathered during a trip made possible by the Japanese authorities.

THE VERDICT OF THE LEAGUE. By Manley O. Hudson. Boston: World Peace Foundation, 1933, 102 p. $1.00.

A handy compilation of the most important documents, with notes and commentary.

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SOURCE MATERIAL

By Denys P. Myers

PUBLIC DOCUMENTS OFFICIALLY PRINTED

Documents may be procured from the following: *United States:* Gov't Printing Office, Superintendent of Documents Washington, D. C. *Great Britain:* British Library of Information, 270 Madison Ave., New York. *France:* Gerda M. Anderson, 12 Ave. Ernest Reyer, Paris XIV^e^. *League of Nations, Int. Labor Office, Perm. Court of Int. Justice* and *Int. Institute of Agriculture:* World Peace Foundation, 40 Mt. Vernon St., Boston. Washington imprints are Government Printing Office and London imprints are His Majesty's Stationery Office, unless otherwise noted. Since 1928 a list of Government documents has been printed in the *Monthly List of Books Catalogued in the Library of the League of Nations.*

AGRICULTURE

JOINT RESOLUTION authorizing an Annual Appropriation for the Expenses of Participation by the United States in the International Institute of Agriculture at Rome, Italy. H. J. Res. 149. Washington, 1933.
House Report 44.

INTERNATIONAL Review of Agriculture. Published monthly. Rome, 1933– . 24 1.2 cm. 125 liras.
The Review in 1933 incorporates the following, which were formerly published separately and are still obtainable as separate reprints: Monthly Bulletin of Agricultural Economics and Sociology; Monthly Crop Report and Agricultural Statistics; Monthly Bulletin of Agricultural Science and Practice; International Bulletin of Plant Protection.

AIR NAVIGATION

CONVENTION between His Majesty, in Respect of the United Kingdom, and the Federal President of the Republic of Austria respecting Air Navigation, Vienna, July 16, 1932. London, 1933. 15 p. 24½ cm. (Treaty Series No. 7 (1933). Cmd. 4263.) 3d.

CONVENTION between His Majesty, in Respect of the United Kingdom and of India, and the King of Italy respecting Air Transport Services, Rome, May 16, 1931. London, 1933. 17 p. 24½ cm. (Treaty Series No. 8 (1933) Cmd. 4267.) 3d.

INTERNATIONAL Convention for the Unification of certain Rules relating to International Carriage by Air, Warsaw, October 12, 1929. London, 1933. 33 p. 24½ cm. (Treaty Series No. 11 (1933). Cmd. 4284.) 6d.

ARBITRATION

ARBITRATION. Treaty between the United States of America and China. Signed at Washington, June 27, 1930. Washington, 1933. 15 p. 23¼ cm. (Treaty Series No. 857.) 5 cents.

SALEM CLAIM. Claim of the United States of America on behalf of George J. Salem v. The Royal Government of Egypt under Protocol of January 20, 1931. Case of Egypt Annexes A–D. Washington, 1932. 81, vi, 146, 95, iv, 84, 70 p. 23¼ cm. (The Department of State, Arbitration Series No. 4 (3), Publication No. 364.)

ARMAMENT CONFERENCE

CONFERENCE for the Reduction and Limitation of Armaments. Draft Proposals by the United Kingdom. Geneva, 1933. 2 p. 33 cm. (League of Nations, Conf. D. 154. 1933. IX. 1.)

———. DRAFT CONVENTION submitted by the United Kingdom Delegation. Geneva, 1933. 16 p. 33 cm. (League of Nations, Conf. D. 157. 1933. IX. 2.)

———. ANNEXES to Chapter 2 — Naval Armaments (To be inserted on page 8, after Article 33). Geneva, 1933. 6 p. 33 cm. (League of Nations, Conf. D. 157. 1933. IX. 2. Addendum.)

DRAFT Disarmament Convention submitted to the Disarmament Conference at Geneva on March 16, 1933, by the Rt. Hon. J. Ramsay MacDonald, M.P. London, 1933. 31 p. 24½ cm. (Miscellaneous No. 2 (1933). Cmd. 4279.) 6d.

ARMS EMBARGO

JOINT RESOLUTION to Prohibit the Exportation of Arms or Munitions of War from the United States under Certain Conditions. H. J. Res. 93. Washington, 1933.
House Report 22, parts 1 and 2; passed House April 14.

AUSTRIA

AGREEMENT for Guaranteeing a Further Loan to Austria, Geneva, July 15, 1932. London, 1933. 10 p. 24½ cm. (Treaty Series No. 5 (1933). Cmd. 4247.) 2d.

FINANCIAL Position of Austria in the Fourth Quarter of 1932. Fifth Quarterly Report by M. Rost van Tonningen, the Representative in Austria of the League of Nations. Geneva, 1933. 18 p. 33 cm. (League of Nations, C. 32. M. 11. 1933. II. A. 4.)

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AUTOMOBILES

INTERNATIONAL Convention regarding the Taxation of Foreign Motor Vehicles (with Protocol-Annex), Geneva, March 30, 1931. London, 1933. 18 p. 24½ cm. (Treaty Series No. 4 (1933). Cmd. 4246.) 3d.

COMMERCIAL TREATIES

CONVENTION between His Majesty, in respect of the United Kingdom, and His Majesty the King of Denmark and Iceland regarding Legal Proceedings in Civil and Commercial Matters, London, November 29, 1932. London, 1933. 17 p. 24½ cm. (Denmark No. 1 (1933). Cmd. 4261.) 3d.

EXCHANGE of Notes between His Majesty's Government in Canada and the Government of Brazil regarding Commercial Relations between Canada and Brazil, Rio de Janeiro, December 4, 1931. London, 1933. 4 p. 24½ cm. (Treaty Series No. 6 (1933). Cmd. 4250.) 1d.

LIST of Commercial Treaties, etc., with Foreign Powers. January 1, 1933. London, 1933. 51 p. 24½ cm. 9d.

TRADE Agreement between Canada and New Zealand. Signed at Ottawa and Wellington April 23, 1932. In Force May 24, 1932. Ottawa, J. O. Patenaude, 1933. 11 p. 25 cm. (Dominion of Canada, Treaty Series, 1932, No. 2.) 25 cents.

CONFERENCES, PARTICIPATION

AMERICAN DELEGATIONS to International Conferences, Congresses and Expositions and American Representation on International Institutions and Commissions, With Relevant Data. Fiscal Year Ended June 30, 1932. Compiled in the Division of International Conferences. Washington, 1933. 53 p. 23¼ cm. (Department of State, Conference Series No. 13, Publication No. 425.) 10 cents.

SIXTH INTERNATIONAL Congress of MILITARY MEDICINE and Pharmacy and Meetings of the Permanent Committee, The Hague, Netherlands, June 1931. Report of Commander William Seaman Bainbridge, M.C.-F., U.S.N.R., for the Delegation from the United States of America. . . . Washington, 1933. 166 p. 23¼ cm. (The Department of State, Conference Series No. 12.) $1.00 (cloth).

COURT OF ARBITRATION, PERMANENT

RAPPORT du Conseil administratif de la Cour Permanente d'Arbitrage sur les travaux de la Cour, sur le fonctionnement des services administratifs et sur les dépenses pendant l'exercice 1932. La Haye, 1933. 51 p. 33½ cm.

COURT OF INTERNATIONAL JUSTICE, PERMANENT

INTERPRETATION of the Greco-Bulgarian Agreement of December 9, 1927 (Caphandaris-Molloff Agreement). Permanent Court of International Justice. XXIVth Session. ADVISORY OPINION of March 8, 1932. Leyden, 1932. 458 p. 24½ cm. (Series C, No. 57.) $4.60.

CASE Concerning the Delimitation of the Territorial Waters between the Island of CASTELLORIZO and the Coasts of Anatolia. Permanent Court of International Justice. XXVIth Session. ORDER of January 26, 1933. Leyden, 1933. 6 double p. 24 cm. (Series A./B. Fascicule No. 51.) 25 cents.

CASE Concerning the Administration of the PRINCE VON PLESS (Preliminary Objection). Permanent Court of International Justice. XXVIth Session. ORDER of February 4, 1933. Leyden, 1933. 17 double p. 24 cm. (Series A./B. Fascicule No. 52.) 20 cents.

LEGAL STATUS of EASTERN GREENLAND. Permanent Court of International Justice. XXVIth Session. JUDGMENT of April 5, 1933. Leyden, 1933. 147 double p. 24 cm. (Series A./B. Fascicule No. 53.)

INTERPRETATION of the Statute of the MEMEL Territory. Permanent Court of International Justice. XXVth Session. Judgments of June 24 and August 11, 1932. Leyden, 1933. 656 p. 24 cm. (Series C, No. 59.)

GREAT BRITAIN-SOVIET UNION

CORRESPONDENCE Relating to the Arrest of Employees of the Metropolitan-Vickers Company at Moscow. London, 1933. 23 p. 24½ cm. (Russia No. 1 (1933). Cmd. 4286.) 4d.

FURTHER CORRESPONDENCE relating to the Arrest of Employees of the Metropolitan-Vickers Company at Moscow. London, 1933. 20 p. 24½ cm. (Russia No. 2 (1933). Cmd. 4290.) 4d.

GREECE — UNITED STATES

EXTRADITION. Treaties between the United States of America and Greece. Signed at Athens, May 6, 1931. Together with Exchange of Notes concerning Most-Favored-Nation Treatment and Protocol of Exchange of Ratifications. Washington, 1933. 14 p. 23¼ cm. (Treaty Series No. 855.) 5 cents.

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OBSCENE PUBLICATIONS

TRAFFIC in Women and Children. Obscene Publications. Summary of Annual Reports for 1931 prepared by the Secretariat. Geneva, 1933. 38 p. 33 cm. (League of Nations, C. 857. M. 399. 1932. IV. 7.)

These reports from governments parties to the Geneva convention of September 12, 1923, are made annually in accordance with its provisions.

PHILIPPINE BOUNDARIES

BOUNDARY between the Philippine Archipelago and the State of North Borneo. Convention between the United States of America and Great Britain. Signed at Washington, January 2, 1930. Washington, 1933. 18 p. map. 23¼ cm. (Treaty Series No. 856.) 10 cents.

CONVENTION between His Majesty in respect of the United Kingdom and the President of the United States of America regarding the Boundary between the Philippine Archipelago and the State of North Borneo, with Exchange of Notes, Washington, January 2, 1930/July 6, 1932. London, 1933. 13 p. map. 24½ cm. (Treaty Series No. 2 (1933). Cmd. 4241.) 6d.

PUBLIC HEALTH

HEALTH ORGANISATION. International Health Year-Book, 1930 (Volume VI). Reports (with Vital and Public Health Statistics) on the Public Health Progress of Thirty-Four Countries and Colonies in 1929. Geneva, 1932. 1100 p. 24½ p. (League of Nations, C. H. 951. 1932. III. 2.) Paper $6.00.

RUMANIA

AGREEMENT signed at Geneva on January 28, 1933, establishing an Advisory technical collaboration in Roumania. Geneva, 1933. 15 p. 33 cm. (League of Nations, C. 107. M. 21. 1933. II. A. 3.)

The agreement relates primarily to financial and economic rehabilitation.

SINO-JAPANESE DISPUTE

APPEAL of the Chinese Government. Draft of the REPORT provided for in Article 15, Paragraph 4, of the Covenant. (Submitted by the Special Committee of the Assembly in Execution of Part III (Paragraph 5) of the Resolution of March 11, 1932.) Geneva, 1933. 27 p. 33 cm. (League of Nations, A (Extr.) 22. 1933. VII. 2.)

The Draft Report was adopted by the Special Assembly on February 24. The Assembly set up an Advisory Committee, including a representative of the United States, to carry out the program.

RECORDS of the Special Session of the Assembly convened in virtue of Article 15 of the Covenant at the Request of the Chinese Government. Volume III. Geneva, 1933. 192 p. 33 cm. (League of Nations, *Official Journal*, Special Supplement No. 111.) $1.50.

"MANCHUKUO"

The CENTRAL BANK of Manchou and Laws Relating Thereto with Appendix. Hsinking, Manchuria, The Department of Foreign Affairs, 1932. 35 p. 26 cm. (Publications of the Department of Foreign Affairs Manchoukuo Government, Series No. 3.)

The VOICE of the People of Manchoukuo. Hsinking, Manchuria, Department of Foreign Affairs, 1932. 22 cm.

TARIFF POLICY

RECOMMENDATIONS of the Economic Committee relating to Tariff Policy and the Most-Favoured-Nation Clause. Geneva, 1933. 23 p. 33 cm. (League of Nations, E. 805. 1933. II. B. 1.)

TOBACCO

COMMISSION of Enquiry for European Union. Report by the Committee instructed to examine the Problem of Eastern European Tobacco. Geneva, 1933. 5 p. 33 cm. (League of Nations, C. 219. M. 110. 1933. VII. 4.)

This is one of a series of inquiries conducted under the auspices of the commission in fulfilment of resolutions of the Stresa conference.

TURKEY-UNITED STATES

ESTABLISHMENT and Sojourn. Treaty between the United States of America and the Turkish Republic. Signed at Ankara, October 28, 1931. Washington, 1933. 3 p. 23¼ cm. (Treaty Series No. 859.) 5 cents.

UNITED STATES TREATIES

TREATIES and other International Acts of the United States of America, edited by Hunter Miller. Washington, 1933–4531. Volume 3. Documents 41–79: 1819–1835. xxiv, 833 p. map. 26 cm. (The Department of State, Publication No. 4531.)

WAR DEBTS

Papers Concerning Intergovernmental Debts, November–December, 1932. Washington, 1933. 81 p. 23¼ cm. (The Department of State, Publication No. 432.) 10 cents.

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HAITI

HAITI. Annual Report of the Financial Adviser-General Receiver for the Fiscal Year October, 1931–September, 1932. Submitted to the Secretary of State for Finance, and the Secretary of State for Commerce of the Republic of Haiti, and the Secretary of State of the United States of America. Port-au-Prince, 1932. 187 p. 23½ cm.

INDIA

PROPOSALS for Indian Constitutional Reform. London, 1933. 127 p. 24½ cm. (Cmd. 4268.) 2s.

AGREEMENT between His Majesty, in respect of the United Kingdom and of India, and His Imperial Majesty the Shah of Persia in regard to the Withdrawal of the Indo-European Telegraph Department from Persia, Tehran, February 17, 1932. London, 1933. 8 p. 24½ cm. (Treaty Series No. 10 (1933). Cmd. 4275.) 2d.

INTELLECTUAL COÖPERATION

STUDENTS ABROAD. Bulletin of Organisations Concerned with Students Abroad. Paris, 1931. 16 p. 27 cm. (International Institute of Intellectual Coöperation, Bulletin, No. 1– , October– 1931– .)

No. 1 in French only; English title from No. 2.

SCHOOL BROADCASTING. Paris, 1933. 210 p. 24 cm. (League of Nations, Intellectual Coöperation Series.)

INTERNATIONAL RELIEF UNION

INTERNATIONAL Convention and Statute establishing an International Relief Union, Geneva, July 12, 1927. London, 1933. 17 p. 24½ cm. (Treaty Series No. 3 (1933). Cmd. 4243.) 3d.

The International Relief Union came into being in December 1932, and the organizing meeting of the General Council begins July 10.

JAPANESE INDUSTRY

INDUSTRIAL Labour in Japan. Geneva, 1933. 413 p. 24 cm. (International Labour Office, Studies and Reports, Series A, No. 37.) $2.50.

LABOR CONFERENCE

ABOLITION of Fee-Charging Employment Agencies. First Item on the Agenda. Geneva, 1933. 141 p. 21 cm. (International Labour Conference, Seventeenth Session, 1933.)

INVALIDITY, Old-Age and Widows' and Orphans' Insurance. Second Item on the Agenda. Geneva, 1933. 533 p. 21½ cm. (International Labour Conference, Seventeenth Session, 1933.)

INTERNATIONAL Labour Conference. Sixteenth Session, Geneva, 1932. Record of Proceedings. Geneva, 1932. 1003 p. 32 cm. (International Labour Office.) $6.25.

LETICIA DISPUTE

DISPUTE between Colombia and Peru: Colombia's Appeal Under Article 15 of the Covenant. Letter from the President of the Committee of the Council to the Acting President of the Council, [March 16, 1933, transmitting] Draft Report of the Council Provided for in Article 15, Paragraph 4, of the Covenant, submitted by the Committee of the Council. Geneva, 1933. 15 p. 33 cm. (League of Nations, C. 194. M. 91. 1933. VII. 3.)

The Draft Report was adopted without change by the Council on March 18. The council set up an advisory committee which includes representatives of Brazil and the United States to follow developments and to report proposals to the council at its subsequent meetings.

The prior and subsequent documents consist of Minutes of the Council and papers annexed thereto, beginning with the 70th meeting.

NAVAL VESSELS

FLEETS (The British Commonwealth of Nations and Foreign Countries). Particulars of the Fleets of the British Commonwealth of Nations, United States of America, Japan, France, Italy, Soviet Union, and Germany, on the 1st day of February, 1933, distinguishing, both built and building, Battleships, Battle Cruisers, Cruisers, Cruiser Minelayers, Armoured Coast Defence Vessels and Monitors, Aircraft Carriers, Flotilla Leaders, Destroyers, Torpedo Boats, Submarines, Sloops, Coastal Motor Boats, Gunboats and Despatch Vessels, River Gunboats, and Minesweepers. London, 1933. 96 p. 24½ cm. (Cmd. 4253.) 1s. 6d.

STATEMENT of the First Lord of the Admiralty Explanatory of the Navy Estimates, 1933. London, 1933. 16 p. 24½ cm. (Cmd. 4266.) 3d.

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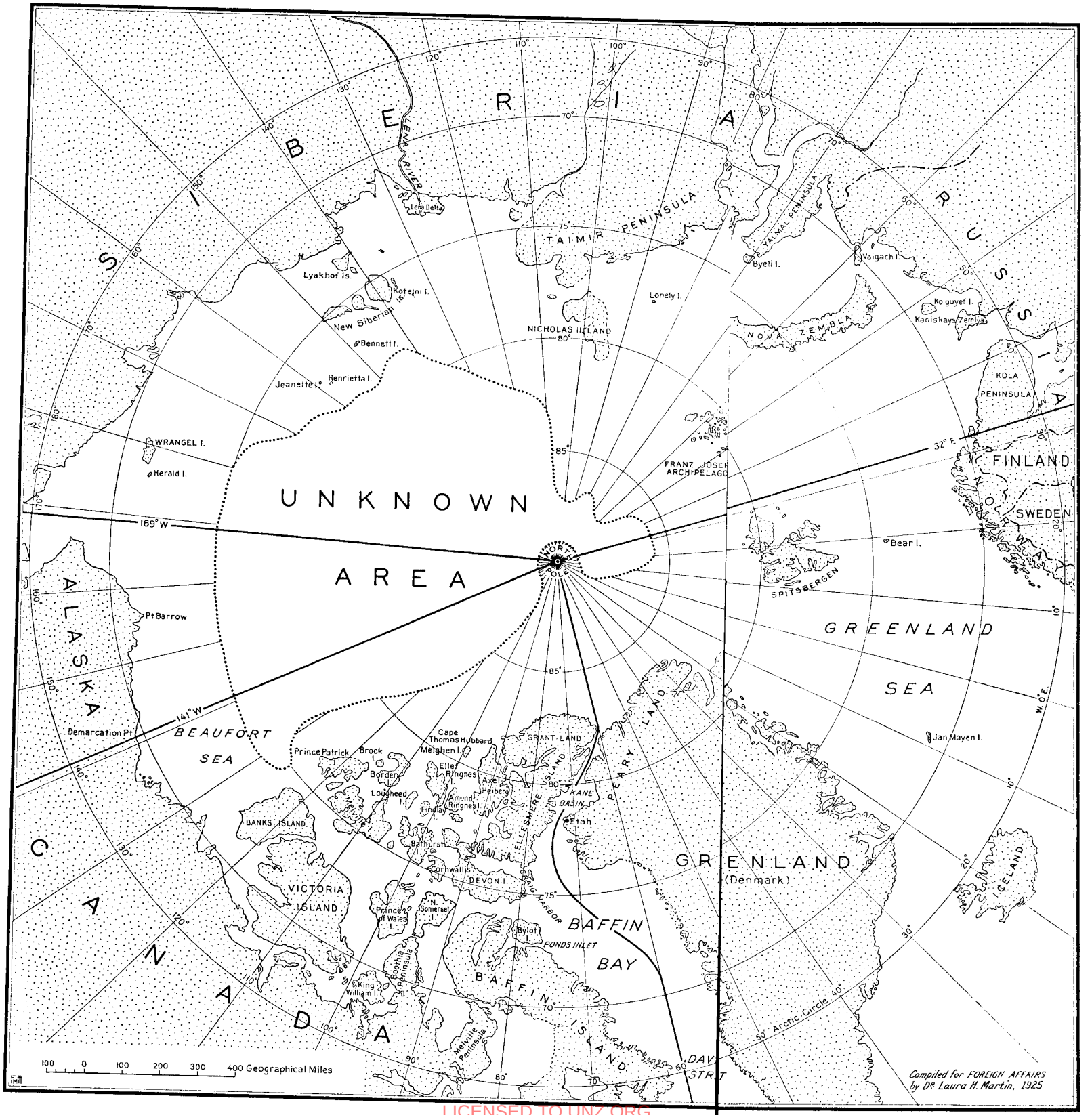

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